

Union Calendar No. 431

111TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
111-708

REPORT ON THE LEGISLATIVE AND OVERSIGHT ACTIVITIES

OF THE

COMMITTEE ON WAYS AND MEANS

DURING THE

111TH CONGRESS



JANUARY 3, 2011.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

99-006

WASHINGTON : 2011

COMMITTEE ON WAYS AND MEANS

SANDER M. LEVIN, Michigan, *Acting Chairman*

CHARLES B. RANGEL, New York	DAVE CAMP, Michigan
FORTNEY PETE STARK, California	WALLY HERGER, California
JIM McDERMOTT, Washington	SAM JOHNSON, Texas
JOHN LEWIS, Georgia	KEVIN BRADY, Texas
RICHARD E. NEAL, Massachusetts	PAUL RYAN, Wisconsin
JOHN S. TANNER, Tennessee	ERIC CANTOR, Virginia
XAVIER BECERRA, California	JOHN LINDER, Georgia
LLOYD DOGGETT, Texas	DEVIN NUNES, California
EARL POMEROY, North Dakota	PAT TIBERI, Ohio
MIKE THOMPSON, California	GINNY BROWN-WAITE, Florida
JOHN B. LARSON, Connecticut	GEOFF DAVIS, Kentucky
EARL BLUMENAUER, Oregon	DAVID G. REICHERT, Washington
RON KIND, Wisconsin	CHARLES W. BOUSTANY, Jr., Louisiana
BILL PASCRELL, JR., New Jersey	DEAN HELLER, Nevada
SHELLEY BERKLEY, Nevada	PETER J. ROSKAM, Illinois
JOSEPH CROWLEY, New York	
CHRIS VAN HOLLEN, Maryland	
KENDRICK MEEK, Florida	
ALLYSON Y. SCHWARTZ, Pennsylvania	
ARTUR DAVIS, Alabama	
DANNY K. DAVIS, Illinois	
BOB ETHERIDGE, North Carolina	
LINDA T. SANCHEZ, California	
BRIAN HIGGINS, New York	
JOHN A. YARMUTH, Kentucky	

LETTER OF TRANSMITTAL

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, January 3, 2011.

Hon. LORRAINE C. MILLER,
Office of the Clerk, House of Representatives,
The Capitol, Washington, DC.

DEAR MS. MILLER: I am herewith transmitting, pursuant to House Rule XI, clause 1(d), the report of the Committee on Ways and Means on its legislative and oversight activities during the 111th Congress.

Sincerely,

SANDER M. LEVIN,
Acting Chairman.

CONTENTS

	Page
Transmittal Letter	III
Foreword	VII
I. Legislative Activity Review	1
A. Legislative Review of Tax, Trust Fund, and Pension Issues	1
B. Legislative Review of Trade Issues	17
C. Legislative Review of Health Issues	33
D. Legislative Review of Social Security Issues	000
E. Legislative Review of Income Security and Family Support Issues ..	66
F. Legislative Review of Debt Issues	71
II. Oversight Activity Review	72
A. Oversight Agenda	72
B. Actions Taken and Recommendations Made With Respect to Over- sight Plan	79
Appendix I. Jurisdiction of the Committee on Ways and Means	89
Appendix II. Historical Note	110
Appendix III. Statistical Review of the Activities of the Committee on Ways and Means	116
Appendix IV. Chairmen of the Committee on Ways and Means and Member- ship of the Committee from the 1st through the 111th Congresses	121

FOREWORD

Clause 1(d) of Rule XI of the Rules of the House, regarding the rules of procedure for committees, contains a requirement that each committee prepare a report at the conclusion of each Congress summarizing its activities. The 104th Congress added subsections on legislative and oversight activities, including a summary comparison of oversight plans and eventual recommendations and actions. The full text of the Rule follows:

(d)(1) Each committee shall submit to the House not later than January 2 of each odd-numbered year a report on the activities of that committee under this rule and rule X during the Congress ending at noon on January 3 of such year.

(2) Such report shall include separate sections summarizing the legislative and oversight activities of that committee during that Congress.

(3) The oversight section of such report shall include a summary of the oversight plans submitted by the committee under clause 2(d) of rule X, a summary of the actions taken and recommendations made with respect to each such plan, a summary of any additional oversight activities undertaken by that committee, and any recommendations made or actions taken thereon.

(4) After an adjournment sine die of the last regular session of a Congress, the chairman of a committee may file an activities report under subparagraph (1) with the Clerk at any time and without approval of the committee, provided that.

(A) a copy of the report has been available to each member of the committee for at least seven calendar days; and

(B) the report includes any supplemental, minority, or additional view submitted by a member of the committee.

The jurisdiction of the Committee on Ways and Means during the 111th Congress is provided in Rule X, clause 1(t), as follows:

(t) Committee on Ways and Means.

(1) Customs revenue, collection districts, and ports of entry and delivery.

(2) Reciprocal trade agreements.

(3) Revenue measures generally.

(4) Revenue measures relating to insular possessions.

(5) Bonded debt of the United States, subject to the last sentence of clause 4(f).

(6) Deposit of public monies.

(VII)

VIII

- (7) Transportation of dutiable goods.
- (8) Tax exempt foundations and charitable trusts.
- (9) National social security (except health care and facilities programs that are supported from general revenues as opposed to payroll deductions and except work incentive programs).

The general oversight responsibilities of committees are set forth in clause 2 of Rule X. The 104th Congress also added the requirement in clause 2 of Rule X that each standing committee submit its oversight plans for each Congress. The text of the Rule, in pertinent part, follows:

2. (a) The various standing committees shall have general oversight responsibilities as provided in paragraph (b) in order to assist the House in

- (1) its analysis, appraisal, and evaluation of
 - (A) the application, administration, execution, and effectiveness of Federal laws; and
 - (B) conditions and circumstances that may indicate the necessity or desirability of enacting new or additional legislation; and
- (2) its formulation, consideration, and enactment of changes in Federal laws, and of such additional legislation as may be necessary or appropriate.

(b)(1) In order to determine whether laws and programs addressing subjects within the jurisdiction of a committee are being implemented and carried out in accordance with the intent of Congress and whether they should be continued, curtailed, or eliminated, each standing committee (other than the Committee on Appropriations) shall review and study on a continuing basis

(A) the application, administration, execution, and effectiveness of laws and programs addressing subjects within its jurisdiction;

(B) the organization and operation of Federal agencies and entities having responsibilities for the administration and execution of laws and programs addressing subjects within its jurisdiction;

(C) any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation addressing subjects within its jurisdiction (whether or not a bill or resolution has been introduced with respect thereto); and

(D) future research and forecasting on subjects within its jurisdiction.

(2) Each committee to which subparagraph (1) applies having more than 20 members shall establish an oversight subcommittee, or require its subcommittees to conduct oversight in their respective jurisdictions, to assist in carrying out its responsibilities under this clause. The establishment of an oversight subcommittee does not limit the responsibility of a subcommittee with legislative jurisdiction in carrying out its oversight responsibilities.

(c) Each standing committee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction as described in clauses 1 and 3.

(d)(1) Not later than February 15 of the first sessions of a Congress, each standing committee shall, in a meeting that is open to the public and with a quorum present, adopt its oversight plan for that Congress. Such plan shall be submitted simultaneously to the Committee on Oversight and Government Reform and to the Committee on House Administration. In developing its plan each committee shall, to the maximum extent feasible—

(A) consult with other committees that have jurisdiction over the same or related laws, programs, or agencies within its jurisdiction with the objective of ensuring maximum coordination and cooperation among committees when conducting reviews of such laws, programs, or agencies and include in its plan an explanation of steps that have been or will be taken to ensure such coordination and cooperation;

(B) review specific problems with Federal rules, regulations, statutes, and court decisions that are ambiguous, arbitrary, or nonsensical, or that impose severe financial burdens on individuals;

(C) give priority consideration to including in its plan the review of those laws, programs, or agencies operating under permanent budget authority or permanent statutory authority; and

(D) have a view toward ensuring that all significant laws, programs, or agencies within its jurisdiction are subject to review every 10 years; and

(E) have a view toward insuring against duplication of Federal programs.

To carry out its work during the 111th Congress, the Committee on Ways and Means had six standing Subcommittees, as follows:

Subcommittee on Trade;

Subcommittee on Oversight;

Subcommittee on Health;

Subcommittee on Social Security;

Subcommittee on Income Security and Family Support; and

Subcommittee on Select Revenue Measures.

The membership of the six Subcommittees of the Committee on Ways and Means in the 111th Congress is as follows:

SUBCOMMITTEE ON TRADE

JOHN S. TANNER, Tennessee, *Acting Chairman*

SANDER M. LEVIN, Michigan

CHRIS VAN HOLLEN, Maryland

JIM McDERMOTT, Washington

RICHARD E. NEAL, Massachusetts

LLOYD DOGGETT, Texas

EARL POMEROY, North Dakota

BOB ETHERIDGE, North Carolina

LINDA T. SANCHEZ, California

KEVIN BRADY, Texas, *Ranking Member*

GEOFF DAVIS, Kentucky

DAVID G. REICHERT, Washington

WALLY HERGER, California

DEVIN NUNES, California

X

SUBCOMMITTEE ON OVERSIGHT

JOHN LEWIS, Georgia, *Chairman*

XAVIER BECERRA, California	CHARLES W. BOUSTANY, JR., Louisiana,
RON KIND, Wisconsin	<i>Ranking Member</i>
BILL PASCRELL, JR., New Jersey	DAVID G. REICHERT, Washington
JOHN B. LARSON, Connecticut	PETER J. ROSKAM, Illinois
ARTUR DAVIS, Alabama	PAUL RYAN, Wisconsin
DANNY K. DAVIS, Illinois	JOHN LINDER, Georgia
BOB ETHERIDGE, North Carolina	
BRIAN HIGGINS, New York	

SUBCOMMITTEE ON HEALTH

FORTNEY PETE STARK, California, *Chairman*

LLOYD DOGGETT, Texas	WALLY HERGER, California, <i>Ranking</i>
MIKE THOMPSON, California	<i>Member</i>
XAVIER BECERRA, California	SAM JOHNSON, Texas
EARL POMEROY, North Dakota	PAUL RYAN, Wisconsin
RON KIND, Wisconsin	DEVIN NUNES, California
EARL BLUMENAUER, Oregon	GINNY BROWN-WAITE, Florida
BILL PASCRELL, JR., New Jersey	
SHELLEY BERKLEY, Nevada	

SUBCOMMITTEE ON SOCIAL SECURITY

EARL POMEROY, North Dakota, *Acting Chairman*

JOHN S. TANNER, Tennessee	SAM JOHNSON, Texas
ALLYSON Y. SCHWARTZ, Pennsylvania	KEVIN BRADY, Texas
XAVIER BECERRA, California	PATRICK J. TIBERI, Ohio
LLOYD DOGGETT, Texas	GINNY BROWN-WAITE, Florida
RON KIND, Wisconsin	DAVID G. REICHERT, Washington
JOSEPH CROWLEY, New York	
LINDA T. SANCHEZ, California	
JOHN A. YARMUTH, Kentucky	

SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT

JIM McDERMOTT, Washington, *Chairman*

FORTNEY PETE STARK, California	JOHN LINDER, Georgia
ARTUR DAVIS, Alabama	CHARLES W. BOUSTANY, JR., Louisiana
JOHN LEWIS, Georgia	DEAN HELLER, Nevada
SHELLEY BERKLEY, Nevada	PETER J. ROSKAM, Illinois
CHRIS VAN HOLLEN, Maryland	PATRICK J. TIBERI, Ohio
KENDRICK MEEK, Florida	
SANDER M. LEVIN, Michigan	
DANNY K. DAVIS, Illinois	

SUBCOMMITTEE ON SELECT REVENUE MEASURES

RICHARD E. NEAL, Massachusetts, *Chairman*

MIKE THOMPSON, California	PATRICK J. TIBERI, Ohio
JOHN B. LARSON, Connecticut	JOHN LINDER, Georgia
ALLYSON Y. SCHWARTZ, Pennsylvania	DEAN HELLER, Nevada
EARL BLUMENAUER, Oregon	PETER J. ROSKAM, Illinois
JOSEPH CROWLEY, New York	GEOFF DAVIS, Kentucky
KENDRICK B. MEEK, Florida	
BRIAN HIGGINS, New York	
JOHN A. YARMUTH, Kentucky	

The Committee on Ways and Means submits its report on its legislative and oversight activities for the 111th Congress pursuant to the above stated provisions of the Rules of the House. Section I of the report describes the Committee's legislative activities, divided into six sections as follows: Legislative Review of Tax, Trust Fund, and Pension Issues; Legislative Review of Trade Issues; Legislative

Review of Health Issues; Legislative Review of Social Security Issues; Legislative Review of Income Security and Family Support Issues; and Legislative Review of Debt Issues.

Section II of the report describes the Committee's oversight activities. It includes a copy of the Committee's Oversight Agenda, adopted in open session on February 11, 2009, along with a description of actions taken and recommendations made with respect to the oversight plan. The report then discusses additional Committee oversight activities, and any recommendations or actions taken as a result. Finally, the report includes four appendices with Committee information. Appendix I is an expanded discussion of the Jurisdiction of the Committee on Ways and Means along with a revised listing and explanation of blue slip resolutions and points of order under House Rule XXI 5(a). Appendix II is a brief Historical Note on the origins of the Committee; Appendix III is a Statistical Review of the Activities of the Committee on Ways and Means; and Appendix IV is a listing of the Chairmen and Membership of the Committee from the 1st–111th Congresses.

REPORT ON THE LEGISLATIVE AND OVERSIGHT ACTIVITIES OF THE COMMITTEE ON WAYS AND MEANS DURING THE ONE HUNDRED ELEVENTH CONGRESS

JANUARY 3, 2011.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. LEVIN, from the Committee on Ways and Means, submitted the following

R E P O R T

I. LEGISLATIVE ACTIVITY REVIEW

A. LEGISLATIVE REVIEW OF TAX, TRUST FUND, AND PENSION ISSUES

1. TAX LEGISLATION ENACTED IN THE 111TH CONGRESS

a. *H.R. 2, Children's Health Insurance Program Reauthorization Act of 2009 (P.L. 111-3)*

On January 13, 2009, Representative Frank Pallone, Jr. introduced H.R. 2. On January 14, 2009, it was passed by the House. It was passed by the Senate with an amendment in the nature of a substitute on January 29, 2009. On February 4, 2009, the House agreed to the Senate amendments, and the President signed the bill into law on that same day.

The legislation provided funding for the Children's Health Insurance Program primarily through an increase in tobacco taxes. The Senate and House bills, with respect to revenue provisions, were quite similar with negligibly higher tax rates in the Senate and final bill.

Section 701 of the legislation increased taxes on tobacco products. Under prior law, excise taxes on cigarettes and other tobacco products included the following rates:

- federal cigarette taxes: \$0.39 per pack;
- small cigars: \$.04 per package of 20;
- large cigars: 20.719% of sales price, not to exceed \$48.75 per 1,000 units (i.e., a maximum tax of almost \$.05 cents per cigar);
- chewing tobacco: \$.01 per ounce;
- snuff: \$.04 per ounce; and

- pipe and roll-your-own tobacco: \$.07 per ounce.

There were also tax increases on the components of many tobacco products, such as cigarette paper and cigarette tubes. Some of the existing taxes were imposed per pound and under prior law the rates were as follows: (1) \$.195 for chewing tobacco, (2) \$.585 for snuff, and (3) \$1.0606 for pipe and roll-your-own tobacco. There were also taxes on large cigarettes that are essentially non-existent (although a tax is necessary for administrative reasons).

The legislation increased taxes on cigarettes and tobacco-related products (effective April 1, 2009) to the following rates:

- federal cigarette taxes increased to \$1.0066 per pack;
- small cigars had their taxes increased to the same level as cigarettes;
- large cigars were subject to a tax of 52.75% of sales price with a maximum of \$0.4026 per cigar;
- chewing tobacco taxes were increased to approximately \$.03 cents per ounce (and \$.5033 per pound);
- snuff taxes were increased to \$.09 per ounce (\$1.51 per pound);
- pipe tobacco taxes were increased to \$.18 per ounce (\$2.8311 per pound);
- roll-your-own tobacco taxes were increased to \$1.55 per ounce (\$24.78 per pound);
- cigarette papers' taxes rose from \$1.22 per 40, to \$3.15;
- cigarette tubes' taxes rose from \$2.44 to \$6.30.

Section 701 also included provisions affecting floor stock taxes that applied to items removed from the manufacturer before the April 1, 2009, effective date, and subsequently sold after that date. The person holding the items on April 1, 2009, was liable, and there was a \$500 credit per person. (A person was considered to be a controlled group. For example, a corporation could not have received the \$500 credit for each of its subsidiaries.) The floor stocks tax applied to products in a foreign trade zone (i.e., imports). The purpose of the floor stock tax was to prevent the stockpiling of tobacco products before April 1, 2009, the effective date for future sales.

Section 702 imposed regulatory and reporting requirements on manufacturers and importers of processed tobacco other than the tobacco products subject to excise taxes, and expanded the definition of roll-your tobacco to include tobacco that could be used to make cigars.

Section 703 mandated a Treasury study concerning magnitude of tobacco smuggling the United States.

Section 704 altered the time for payment of corporate estimated taxes. Under prior law, quarterly estimated corporate tax payments due in July, August, and September of 2013 were 120% of the normal required payment, with the next such payment reduced accordingly. The legislation increased the ratio to 120.5% and shifted \$300 million of corporate taxes from FY2014 to FY2013. The prior-law 120% withholding provision did not apply to firms with assets of less than \$1 billion, and the withholding increase under CHIPRA did not alter that exemption.

b. H.R. 1, American Recovery and Reinvestment Act of 2009 (P.L. 111–5)

On January 26, 2009, House Appropriations Committee Chair David Obey introduced H.R. 1¹, American Recovery and Reinvestment Act (ARRA). It was amended and passed by the House on January 28, 2009, and the Senate passed a full-text alternative on February 10, 2009. House and Senate conferees were appointed on February 10, and the conference report was filed on February 12. The conference report was agreed to in the House and in the Senate on February 13, 2009. The President signed the bill into law on February 17, 2009 (P.L. 111–5).

The core purpose of ARRA was economic stimulus, which was to be accomplished through a combination of spending increases and tax reductions. ARRA was projected to have a 10-year cost of \$787.2 billion of which about three-quarters was to be spent by the end of fiscal year 2010. It included \$308.3 billion between 2009 and 2019 in discretionary spending for infrastructure, science, health, and education programs. Direct spending accounted for \$267.0 billion over 10 years for health insurance assistance (\$25.0 billion), unemployment compensation (\$39.2 billion), and state fiscal relief (\$90.0 billion), among other things.

The Act also provided for \$211.8 billion over 10 years in tax provisions. These provisions included tax relief for individuals such as the Making Work Pay tax credit (a tax credit of up to \$400 for 2009 and 2010), temporary expansions of the earned income and child tax credits, an extension of the first-time home buyer credit, and the American Opportunity tax credit. Additionally, various energy incentives were included, as were tax incentives for businesses.

c. H.R. 3548, Worker, Homeownership, and Business Assistance Act of 2009 (P.L. 111–92)

On September 10, 2009, Representative McDermott introduced H.R. 3548. On September 22, 2009, the House of Representatives passed an amended version of H.R. 3548. The Senate agreed to a full-text alternative on November 4, 2009. The House voted on and passed the Senate alternative on November 5, 2009, under suspension of the rules. The President signed the bill into law, as P.L. 111–92, on November 6, 2009.

In terms of tax provisions, the act allowed taxpayers to carryback 2009 losses 5 years rather than the statutory 2 years (net operating loss carryback), extended the November 6, 2009 expiration of the homebuyer tax credit to July 1, 2010, required that a homebuyer be entered into a binding written contract before May 1, 2010, and complete the home purchase by July 1, 2010, to qualify for the credit, extended the credit to repeat homebuyers (with a maximum credit amount for repeat buyers at \$6,500, and at \$8,000 for first-time buyers), modified income limits of the tax credit, increased the home purchase price was increased to \$800,000, and extended the 0.2% FUTA surtax through 2010 and the first six months of calendar year 2011.

¹H.R. 1 combined several components found in other legislative vehicles marked up in committees—e.g. H.R. 598 (reported by the Committee on Ways and Means), H.R. 629 (which was referred to the Committee on Ways and Means, but not marked up), and H.R. 679.

d. H.R. 4462, To Accelerate the Income Tax Benefits for Charitable Cash Contributions for the Relief of Victims of the Earthquake in Haiti (P.L. 111–126)

On January 19, 2010, Ways and Means Committee Chair Charles B. Rangel introduced H.R. 4462. The amended bill was passed in the House under suspension of the rules on January 20, 2010. The Senate received the bill on January 21, 2010, and passed the bill without amendment by unanimous consent. The President signed the bill into law on January 22, 2010 (P.L. 111–126).

This act treated charitable contributions made after January 11, 2010, and before March 1, 2010, for the relief of earthquake victims in Haiti, as having been made during the 2009 tax year. Thus, taxpayers who made charitable contributions before March 1, 2010, were able to claim the charitable deduction on their 2009 tax returns. The act also deemed that telephone bills showing the name of the donee organization, the date of the contribution, and the amount of the contribution, satisfied IRS recordkeeping requirements for the charitable deduction.

e. H.R. 2847, Hiring Incentives to Restore Employment Act (P.L. 111–147)

On June 12, 2009, the House Committee on Appropriations reported an original bill—H.R. 2847, formally introduced by subcommittee chair Allan Mollohan—as an FY 2010 appropriations measure for the Commerce, Justice, Science, and Related Agencies (CJSRA) accounts. The House amended and approved it six days later. On June 25, the Senate Appropriations Committee reported the bill with an amendment in the nature of a substitute. The Senate passed an amended version on November 5, sending the bill back to the House for its consideration. On December 16, the House agreed to an amendment in the nature of a substitute to the Senate-passed version of H.R. 2847, sending it back to the Senate for its consideration. The House amendment substituted the “Jobs for Main Street Act of 2010” as Division A of H.R. 2847, and the “Statutory Pay-As-You-Go Act of 2009” as Division B. (The appropriations measure for CJSRA was included in the Consolidated Appropriations Act, 2010; see Division B of P.L. 111–117.) The bill then bounced back and forth between the House and the Senate, as lawmakers tried to reach an agreement on ways to lower and offset its revenue cost. On February 24, 2010, the Senate approved a complete substitute amendment to the House amendment that included a less costly package of job creation initiatives. The House agreed to the changes made by the Senate in a vote on March 4, but it also agreed to an additional amendment that revised some of the tax provisions. On March 17, the Senate voted to accept the House amendment, clearing the way for the bill to be signed by the President.

The act’s tax provisions exempted employers from their portion of the federal payroll tax on wages paid to qualified persons hired between February 3 and December 31, 2010, giving them a \$1,000 tax credit for each new employee retained for 52 consecutive weeks, extended the section 179 expensing allowance from 2008 and 2009 through 2010, and granted a refundable tax credit to issuers of specified bonds, including renewable energy bonds and qualified school construction bonds.

The act was offset with a number of tax compliance provisions, including provisions that penalized taxpayers who failed to report interests in foreign trusts and other financial assets, gave the Internal Revenue Service six years instead of three years to tax unreported income in excess of 25% of the gross income reported on a tax return, accelerated the payment of estimated taxes by corporations with assets of \$1 billion or more, and delayed until 2021 the implementation of special rules for the worldwide allocation of interest expenses for the purpose of computing the foreign tax credit.

The act also extended highway, mass transit, and road safety programs through the end of 2010, using the same formula for allocating funds that applied in 2009. In addition, it provided contract authority for covered programs and extended the authority to spend funds from the Highway Trust Fund through the end of FY 2010.

f. H.R. 3590, Patient Protection and Affordable Care Act (P.L. 111–148) and H.R. 4872, Health Care and Education Reconciliation Act of 2010 (P.L. 111–152)

Legislative History of PPACA and HCERA

On November 7, 2009, the House passed H.R. 3962, the Affordable Health Care for America Act. H.R. 3962 was based on H.R. 3200, America's Affordable Health Choices Act of 2009, which was originally introduced on July 14, 2009, and was reported separately on October 14, 2009 by three House committees (Education and Labor, Energy and Commerce, and Ways and Means), each with a separate amendment. The U.S. Senate passed its version of health insurance reform on December 24, 2009, the Patient Protection and Affordable Care Act, in a full-text substitute amendment to H.R. 3590 (hereafter referred to simply as H.R. 3590). H.R. 3590 consolidated and amended bills passed by two committees with jurisdiction: the Committee on Health, Education, Labor, and Pensions, which reported an original bill, S. 1679, the Affordable Health Choices Act on July 15; and the Senate Finance Committee, which reported an original bill, S. 1796, America's Healthy Future Act of 2009, on October 19, 2009.

On March 21, 2010, the House passed the Senate alternative with a vote of 219 to 212. On March 23, 2010, President Obama signed health care reform legislation into law: the Patient Protection and Affordable Care Act (PPACA; P.L. 111–148). In order to address some of the concerns House Members had with the Senate-passed alternative, on March 21, 2010, the House passed H.R. 4872, the Health Care and Education Reconciliation Act of 2010 (HCERA) with an amendment in the nature of a substitute. On March 25, 2010, the bill passed the Senate with amendments; and later that day the House agreed to those amendments. HCERA was signed by the President and became public law (P.L. 111–152) on March 30, 2010.

Revenue Provisions in PPACA and HCERA

The revenue provisions in PPACA and HCERA include the following: an additional Medicare Hospital Insurance (HI) payroll tax of 0.9% on high-income workers with wages over \$200,000 for single filers and \$250,000 for joint filers effective in 2013, and an ad-

ditional tax of 3.8% on net investment income for high-income taxpayers with modified adjusted gross income over \$250,000 for joint filers (\$200,000 for single filers), also effective in 2013; an excise tax of 40% on high cost health insurance plans, effective in 2018; a limit on the amount of annual flexible spending account (FSA) contributions to \$2,500 per account, effective in 2013; an increase in the penalty on non-qualified distributions from HSAs from 10% to 20%, effective in 2011; modification of the definition of qualified medical expenses for FSAs, Health Savings Accounts (HSAs), and Health Reimbursement Accounts (HRAs) to exclude over-the-counter medications (except those prescribed by a physician), effective in 2011; an increase in the AGI threshold for the itemized deduction for unreimbursed medical expenses from 7.5% to 10% of adjusted gross income (AGI) (with a grandfather rule for taxpayers over the age of 65), effective in 2013; an industry fee on health insurers, effective in 2014; an industry fee on branded prescription drugs that are sold to certain government insurance programs, effective in 2011; a 2.3% excise tax on medical devices, effective in 2013.

Tax Credits In PPACA and HCERA

PPACA and HCERA provide for new tax credits for small businesses that provide health insurance for their employees and for individuals and families to purchase certain health insurance coverage in the individual insurance market. The tax credits for small businesses are effective in 2010, and the tax credits for the purchase of health insurance coverage for families and individuals are effective in 2014. PPACA also expands adoption tax provisions for taxpayers with qualified expenses related to the adoption of a child.

g. H.R. 3962, Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (P.L. 111–192)

On October 29, 2009, Representative John Dingell introduced H.R. 3962, the Affordable Health Care for America Act. The relief provisions for defined benefit pension plan funding were not included in the bill as introduced. H.R. 3962 as amended passed the House on November 11, 2009. Pension funding relief was added to the bill by the Senate, which passed a full-text alternative to H.R. 3962 (entitled “Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010”) on June 18, 2010. The House agreed to the Senate alternative on June 24, 2010. H.R. 3962 became P.L. 111–192 on June 25, 2010.

Title II contained provisions that provided funding relief to the sponsors of single employer and multiemployer defined benefit pension plans. The decline in financial markets in 2008 caused the financial condition of many private pension plans to worsen. The primary relief for single employer plans permitted an extension of the amortization period for funding losses attributable to the decline in the markets in 2008. Additional plan contributions, however, were required for companies that elect relief and pay excessive executive compensation or make excessive share holder payments. The primary relief for multiemployer plans permitted an extended amortization period for certain investment losses related to the decline in the markets in 2008, subject to the plan meeting certain solvency projections and limits on benefit increases.

h. H.R. 5623, Homebuyer Assistance and Improvement Act of 2010 (P.L. 111-198)

On June 29, 2010, Representative Kathleen Dahlkemper introduced H.R. 5623. The amended bill passed the House under suspension of the rules on the same day. The Senate passed the bill without amendment by unanimous consent on June 30, 2010, and the President signed the bill into law on July 2, 2010 (P.L. 111-198).

The Homebuyer Assistance and Improvement Act of 2010 extended the date by which homebuyers had to complete the purchase of their home in order to be eligible for the homebuyer tax credit. The Worker, Homeownership, and Business Assistance Act of 2009 had given homebuyers until July 1, 2010 to complete their home purchase conditional on having entered into a binding written contract by May 1, 2010. This act gave homebuyers until September 30, 2010 to complete their home purchase. Homebuyers were still required to have entered into a binding contract by May 1, 2010.

i. H.R. 4213, Unemployment Compensation Extension Act of 2010 (P.L. 111-205)

On December 7, 2009, Ways and Means Committee Chair Charles Rangel introduced H.R. 4213, the Tax Extenders Act of 2009. The House passed H.R. 4213 on December 9, 2009. The Senate agreed to a full-text alternative to H.R. 4213 on March 10, 2010, entitled the American Workers, State, and Business Relief Act of 2010. The Senate Alternative to H.R. 4213 included funding relief for single employer and multiemployer defined benefit pension plans. The House amended the Senate amendment to H.R. 4213 on May 28, 2010. This House proposal included a provision providing for the disclosure of fees paid by participants in 401(k) retirement plans, as well as pension funding relief provisions. All provisions were then dropped by the Senate when it agreed to a new full-text substitute amendment that retitled the bill as the “Unemployment Compensation Extension Act of 2010” on July 21, 2010, after extensive floor consideration. This alternative contained only a provision to extend unemployment compensation and was agreed to by the House on July 22, 2010. H.R. 4213 became P.L. 111-205 on July 22, 2010.

The final version of this bill as passed by the House and Senate did not contain any pension provisions.

j. H.R. 5552, Firearms Excise Tax Improvement Act of 2010 (P.L. 111-237)

On June 17, 2010, Representative Ron Kind introduced the Firearms Excise Tax Improvement Act of 2010, (FETIA, H.R. 5552), as a revision of H.R. 510, a bill co-sponsored by Representative Paul Ryan. Senate Finance Committee Chair Max Baucus also introduced similar legislation, S. 632. H.R. 5552 was amended and passed the House under suspension of the rules on June 29, 2010; passed the Senate by unanimous consent on August 5, 2010; and was signed by the President on August 16, 2010.

This new law addressed the administration of the excise tax on firearms and ammunition that was paid by manufacturers. Before this bill was enacted, payment of the excise taxes on firearms and

ammunition was required to be made by semimonthly deposit. Under the FETIA, the tax was due quarterly when the taxpayer filed the required excise tax returns.

k. H.R. 5297, Small Business Jobs Act of 2010 (P.L. 111–240)

On May 13, 2010, House Financial Services Committee Chair Barney Frank introduced H.R. 5297. As introduced, the bill's title was “Small Business Lending Fund Act of 2010.” Its sole purpose was to create a small business lending program within the Treasury Department to increase the availability of loans to small firms. On May 27, the House Financial Services Committee reported the bill with an amendment in the nature of a substitute. House passage of an amended version occurred on June 17. The Senate took up the bill later that month, but contentious floor proceedings led to extended consideration during July, August, and September. On September 16, the Senate agreed to an amendment in the nature of a substitute. One week later, on September 23, 2010, the House voted to accept the amendment proposed by the Senate, and the President signed the measure into law.

H.R. 5297 (P.L. 111–240) included approximately \$12 billion in tax relief for qualified small firms, including a temporary 100% exclusion for gains on the sale of qualified small business stock, a temporary increase in the deduction for business start-up costs, the option in 2010 for qualified small firms to carry back unused general business credits up to five years, the opportunity for eligible small firms to use general business credits to reduce their liability under the alternative minimum tax in 2010, a temporary increase in the section 179 expensing allowance, and an extension through 2010 of the 50% bonus depreciation allowance from 2008 and 2009.

The bill was offset by a number of revenue provisions, including provisions that denied a tax credit for “black liquor”, the production of biofuel to the production of highly corrosive fuels such as crude tall oil, required taxpayers receiving rental income and service providers for rental property who receive payments of \$600 or more to file information returns, increased the penalties for failing to file information returns to the IRS and payees on time, and made it easier for the IRS to impose a levy on federal payments to contractors for unpaid taxes. Also included were revisions to certain rules governing Roth retirement accounts.

l. H.R. 4337, the Regulated Investment Company Modernization Act of 2010 (P.L. ?111–?Pending)

On December 16, 2010, Representative Charles Rangel introduced H.R. 4337. The bill was amended and passed by a voice vote under suspension of the rules on September 28, 2010. The bill was received in the Senate on November 15, 2010 and placed on the Senate legislative calendar. The Senate passed the bill, as amended, by unanimous consent on December 8, 2010. The House agreed to the Senate amendment to the House amendment by voice vote on December 15, 2010.

H.R. 4337 would modernize various technical rules governing the tax treatment of regulated investment companies (RICs) under the Internal Revenue Code.

m. *H.R. 4853, Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (formerly a bill to extend the funding and expenditure authority to the Airport and Airway Trust Fund) (P.L. 111–312)*

On March 16, 2010, Rep. Jim Oberstar (with Reps. Levin, Camp, Costello, Mica, and Petri) introduced H.R. 4853, a bill to extend the funding and expenditure authority to the Airport and Airway Trust Fund. The House passed H.R. 4853 on March 17, 2010 by voice vote, and passed the Senate by unanimous consent as amended on September 23, 2010. The House then concurred in the Senate amendment, with an amendment to replace the text with the *Middle Class Tax Relief Act of 2010*, on December 2, 2010 by a vote of 234–188. The Senate then concurred in the House amendment, with an amendment to replace the text with the *Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010*, on December 15, 2010 by a vote of 81–19. The House concurred in the Senate amendment on December 16, 2010 by a vote of 277–148.

The legislation would extend the expiration dates of provisions contained in the *Economic Growth and Tax Relief Reconciliation Act of 2001* and the *Jobs and Growth Tax Relief Reconciliation Act of 2003* for two years, extend unemployment insurance for 13 months, provide alternative minimum tax relief for two years (allowing an increased exemption and offset of nonrefundable tax credits against the AMT in 2010 and 2011), provide one hundred percent expensing for capital expenditures made between September 8, 2010 and December 31, 2011, provide fifty percent expensing for capital expenditures made between January 1, 2012 and December 31, 2012, extend for two years certain refundable tax credits included in the *American Recovery and Reinvestment Act of 2009* (including the reduced income threshold for the refundable child credit, enhancements to the earned income tax credit, and the American Opportunity Tax Credit), extend for two years estate tax relief at a \$5 million exemption amount and maximum rate of 35%, extend through 2011 the 1603 grant program in lieu of renewable energy tax credits, and extend through 2011 certain expiring tax provisions (deduction for State and local general sales taxes, deduction for qualified tuition and related expenses, parity for transit benefits, above-the-line deduction for teacher classroom expenses, additional standard deduction for real property tax, tax-free distributions from IRAs to certain public charities, treatment of certain dividends of regulated investment companies, estate tax look-through treatment for certain RIC stock held by nonresidents, and treatment of RICs as “qualified investment entities” under FIRPTA, the R&D credit, new markets tax credit, Empowerment Zone designations, exception under subpart F for active financing income, look-through treatment of payments between related CFCs under foreign personal holding company income rules, 15-year straight line cost recovery for qualified leasehold, restaurant, and retail improvements and new restaurants, modification of tax treatment of certain payments under existing arrangements to controlling exempt organizations, basis adjustment to stock of S corporations making charitable contributions of property, increase in limit on cover over of rum excise tax revenues, economic development credit for American Samoa, mine rescue team training credit, election to expense advanced mine safety equipment, deduction with

respect to income attributable to domestic production activities in Puerto Rico, credit to holders of qualified zone academy bonds, Indian employment tax credit, accelerated depreciation for business property on Indian reservations, tax credit for certain expenditures for maintaining railroad tracks, 7-year recovery period for certain motorsports racing track facilities, expensing of “Brownfields” environmental remediation costs, work opportunity tax credit for Hurricane Katrina employees, increased rehabilitation credit for structures in the GO Zone, charitable deduction for qualified computer contributions, tax incentives for investment in the District of Columbia, alternative fuel credit, ethanol credit, enhanced charitable deduction for contributions of food inventory, enhanced charitable deduction for contributions of book inventory, expand the benefits for domestic film and television production, allow accelerated depreciation for certain farming equipment, modify penalties and rules for tax return preparers, and provide tax benefits for disaster relief).

n. Federal Aviation Administration Reauthorization Act of 2009 (H.R. 915), and various Airport and Airway Trust Fund Extensions (P.L. 111-12, 111-68, 111-69, 111-116, 111-153, 111-161, 111-197, 111-216, 111-249 and 111-329)

H.R. 915, the Federal Aviation Administration Act of 2009 was considered by the Transportation and Infrastructure Committee and reported to the full House.

On May 20, 2009, the Rules Committee approved H. Res. 464, the Rule governing House consideration of that bill. That Rule provided for adoption of an amendment adding the revenue provisions under the jurisdiction of the Ways and Means Committee to H.R. 915. The amendment would extend for 3 years the Airport and Airway Trust Fund taxes applicable to the transportation of persons by air, the transportation of property by air, and fuel (aviation-grade kerosene and aviation gasoline) used in commercial aviation. The amendment would increase the taxes applicable to fuel used in noncommercial aviation from 21.8 cents/gallon to 35.9 cents/gallon in the case of aviation-grade kerosene and from 19.3 cents/gallon to 24.1 cents/gallon for aviation gasoline. These rates do not include the 0.1 cent/gallon Leaking Underground Storage Tank tax. The amendment would raise \$599 million from fiscal years 2010 to 2014 and raise \$1.324 billion from fiscal years 2010 to 2019.

Those provisions were incorporated into H.R. 915 when the House adopted the Rule on May 21 by a vote of 234-178. The House passed H.R. 915 on May 21 by a vote of 277-136.

The House later adopted provisions similar to those of H.R. 915 in a motion to agree with an amendment to the Senate amendments to H.R. 1586. That motion passed the House on March 25, 2010 by a vote of 276-145. H.R. 1586 was later used as a vehicle for other legislation and did not include the aviation provisions when it ultimately became law.

The Committee worked with the Transportation and Infrastructure Committee to enact a series of ten temporary extensions of FAA authorizations, including the extension of some revenue measure and the authority to expend sums in the Airport and Airway Trust Fund. Those extensions are listed below.

H.R. 1512, the Federal Aviation Administration Extension Act of 2009, passed the House on March 18, 2009 by voice vote. It extended expiring revenue provisions and trust fund spending authority through September 30, 2009. The bill passed the Senate on March 18, 2009 and was signed into law by the President on March 30, 2009 (P.L. 111–12).

H.R. 2918 passed the House on September 25, 2009 by a vote of 217–190. Division B of that legislation, the Continuing Appropriations Resolution, 2010, included provisions extending the expiring aviation-related revenue provisions and trust fund spending authority through October 31, 2009. The bill passed the Senate on September 30, 2009 and was signed into law by the President on October 1, 2009 (P.L. 111–68).

H.R. 3607, the Fiscal Year 2010 Federal Aviation Administration Extension Act, passed the House on September 23, 2009 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through December 31, 2009. It passed the Senate on September 24, 2009 and was signed into law by the President on October 1, 2009 (P.L. 111–69).

H.R. 4217, the Fiscal Year 2010 Federal Aviation Administration Extension Act, Part II, passed the House on December 8, 2009 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through March 31, 2010. It passed the Senate on December 10, 2009 and was signed into law by the President on December 16, 2009 (P.L. 111–116).

H.R. 4957, the Federal Aviation Administration Extension Act of 2010, passed the House on March 25, 2010 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through April 30, 2010. It passed the Senate on March 26, 2010 and was signed into law by the President on March 31, 2010 (P.L. 111–153).

H.R. 5147, the Airport and Airway Extension Act of 2010, passed the House on April 28, 2010 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through July 3, 2010. It passed the Senate on April 28, 2010 and was signed into law by the President on April 30, 2010 (P.L. 111–161).

H.R. 5611, the Airport and Airway Extension Act of 2010, Part II, passed the House on June 29, 2010 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through August 1, 2010. It passed the Senate on June 30, 2010 and was signed into law by the President on July 2, 2010 (P.L. 111–197).

H.R. 5900, the Airline Safety and Federal Aviation Administration Extension Act of 2010, passed the House on July 29, 2010 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through September 30, 2010. It passed the Senate on July 30, 2010 and was signed into law by the President on August 1, 2010 (P.L. 111–216).

H.R. 6190, the Airport and Airway Extension Act of 2010, Part III, passed the House on September 23, 2010 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through December 31, 2010. It passed the Senate on September 24, 2010 and was signed into law by the President on September 30, 2010 (P.L. 111–249).

H.R. 6473, the Airport and Airway Extension Act of 2010, Part IV, passed the House on December 2, 2010 by voice vote. That bill extended expiring revenue provisions and trust fund spending authority through March 31, 2010. It passed the Senate on December 18, 2010 and was signed into law by the President on December 22, 2010 (P.L. 111–329).

2. OTHER TAX PROPOSALS

a. H.R. 2454, American Clean Energy and Security Act of 2009

On May 15, 2009, Representative Henry A. Waxman introduced H.R. 2454. The bill was first ordered reported out of the House Energy and Commerce Committee on May 21, 2009 and reported with a full-text substitute amendment by the House Energy and Commerce Committee on June 5, 2009. H.R. 2454, as amended (by a full-text alternative including a modified version of H.R. 2998), passed the House on June 26, 2009. The bill was received in the Senate on July 6, 2009 and placed on the Senate legislative calendar on July 7, 2009.

H.R. 2454 sets forth provisions concerning clean energy, energy efficiency, reducing global warming pollution, transitioning to a clean energy economy, and providing for agriculture and forestry related offsets. The legislation includes provisions to (1) create a combined energy efficiency and renewable electricity standard and requiring retail electricity suppliers to meet 20% of their demand through renewable electricity and electricity savings by 2020; (2) set a goal of, and requiring a strategic plan for, improving overall U.S. energy productivity by at least 2.5% per year by 2012 and maintaining that improvement rate through 2030; and (3) establish a cap-and-trade system for greenhouse gas (GHG) emissions and setting goals for reducing such emissions from covered sources by 83% of 2005 levels by 2050. The legislation also requires the Secretary of the Treasury to provide tax refunds from the Climate Change Consumer Refund Account (established by H.R. 2454) on a per capita basis to households.

b. H.R. 4154, Permanent Estate Tax Relief for Families, Farmers, and Small Businesses Act of 2009

On December 3, 2009, the House passed H.R. 4154. Division A is the Permanent Estate Tax Relief for Families, Farmers, and Small Businesses Act of 2009. Division B is the Statutory Pay-As-You-Go Act of 2009.² Despite its short title, Division A of H.R. 4154 does not target estate tax relief on farmers and small businesses. Rather, H.R. 4154 would apply the same estate tax relief to all categories of assets.

H.R. 4154 would permanently extend 2009 estate tax law, effective January 1, 2010. The estate tax exemption would remain at \$3.5 million per decedent. The top estate tax rate would remain at 45%. The \$3.5 million exemption amount would not be indexed for inflation. There is no provision for any unused exemption to carry over to the surviving spouse.

²Under the terms of H. Res. 941, adopted by the House on December 3, the text of H.R. 2920 was added to the end of the text of H.R. 4154 in engrossment. The House had previously approved H.R. 2920, the Statutory Pay-As-You-Go Act of 2009, by a vote of 265–166, on July 22.

H.R. 4154 would repeal several parts of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA, P.L. 107–16, enacted June 7, 2001). It would repeal the subtitle of EGTRRA (Title V, subtitle A) that repeals the estate tax and generation-skipping transfer tax in 2010. It would also repeal the subtitle (Title V, subtitle E) that provides for the substitution of a modified carry-over basis (instead of a step-up in basis) for inherited assets in 2010. It would repeal Section 511(d) that provides for the gift tax to continue in 2010, with a top tax rate of 35%, and Section 521(b)(2) that establishes a lifetime limit of \$1 million on the exclusion from the gift tax. H.R. 4154 would also repeal Internal Revenue Code (IRC) subsection 2511(c) which treats certain transfers in trust as a taxable gift.

Under H.R. 4154, the sunset provision of EGTRRA would not apply to the remaining portions of Title V of EGTRRA. That means that some changes in estate and gift tax law made by EGTRRA would continue beyond December 31, 2010. This includes the subordinate \$1 million cumulative lifetime exclusion for gifts (above and beyond the annual gift exclusion) and the deduction for state death taxes (in place of the previous tax credit).

The House vote on H.R. 4154 was 225 to 200. No Republicans voted for the bill. Twenty-six Democrats joined 174 Republicans in opposing the bill. The bill was received in the Senate on December 16, 2009, there was an objection to a unanimous consent request to take up and pass H.R. 4154 at that time. The bill was placed on the Senate legislative calendar on January 20, 2010.

c. H.R. 4783, To accelerate the income tax benefits for charitable cash contributions for the relief of victims of the earthquake in Chile, and to extend the period from which such contributions for the relief of victims of the earthquake in Haiti may be accelerated

On March 9, 2010, Representative Sander M. Levin introduced H.R. 4783. The bill passed the House by a voice vote under suspension of the rules on March 10, 2010. The bill was received in the Senate on March 10, 2010 and referred to the Senate Committee on Finance on March 26, 2010.

H.R. 4783 treats cash contributions made after February 26, 2010, and on or before April 15, 2010, for the relief of earthquake victims in Chile as having been made on December 31, 2009, for purposes of the tax deduction for charitable contributions. The bill deems a contribution made by telephone or text as meeting the recordkeeping requirements of the IRC if the taxpayer produces a telephone bill showing the name of the donee organization and the date and amount of the contribution. Documentation for other forms of donations were not changed. The bill also extends from March 1, 2010, through April 15, 2010, the period in which cash contributions for the relief of earthquake victims in Haiti will be deemed to have been made on December 31, 2009, for purposes of the tax deduction for charitable contributions.

d. H.R. 4168, Algae-based Renewable Fuel Promotion Act of 2010

On December 1, 2009, Representative Harry Teague introduced H.R. 4168. The bill was amended and passed by a voice vote in the House under suspension of the rules on September 28, 2010. The

bill was received in the Senate on September 29, 2010 and placed on the Senate legislative calendar.

H.R. 4168 modifies the definition of “cellulosic biofuel” for purposes of the cellulosic biofuel producer tax credit and the special depreciation allowance to mean any liquid fuel which is derived solely from qualified feedstocks. The bill defines “qualified feedstocks” as any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis and any cultivated algae, cyanobacteria, or lemna.

3. OTHER TAX MATTERS

a. Budget Hearings (Full Committee)

On March 4, 2009, the full Committee held a hearing to receive testimony from Peter R. Orszag, Director of the Office of Management and Budget, concerning programs within the President’s FY 2010 budget overview within the jurisdiction of the Committee.

On February 3, 2010, the full Committee held a hearing to receive testimony from Peter R. Orszag, Director of the Office of Management and Budget, concerning programs within the President’s FY 2011 budget within the jurisdiction of the Committee.

On February 3, 2010, the full Committee held a hearing to receive testimony from Secretary of the Treasury Timothy F. Geithner concerning programs within the President’s FY 2011 budget within the jurisdiction of the Committee.

On May 7, 2009, the full Committee held a hearing to receive testimony from four members of Congress—the Honorable James L. Oberstar, the Honorable John L. Mica, the Honorable Jerry F. Costello, and the Honorable Thomas E. Petri—and from Robert A. Sunshine, Deputy Director of the Congressional Budget Office, regarding the financial status of the Airport and Airway Trust Fund.

b. Tax Hearings

On May 7, 2009, the Full Committee received testimony on the status and financing of the Airport and Airway Trust Fund from the following witnesses: Panel 1—(i) The Honorable James L. Oberstar, Member of Congress, United States House of Representatives, (ii) The Honorable John L. Mica, Member of Congress, United States House of Representatives, (iii) The Honorable Jerry F. Costello, Member of Congress, United States House of Representatives, and (iv) The Honorable Thomas E. Petri, Member of Congress, United States House of Representatives; Panel 2—Robert A. Sunshine, Deputy Director, Congressional Budget Office.

On October 1, 2009, the Full Committee received testimony on the impact of the financial crisis on private employer defined benefit pension plans and the investment advice rules that apply to retirement plans from the following witnesses: Panel 1—(i) Craig P. Rosenthal, Principal, Mercer; (ii) Norman Stein, Senior Legislative Counsel, Pension Rights Center; (iii) Bill Nuti, Chairman and Chief Executive Officer, NCR, on behalf of the American Benefits Council; (iv) Judith Mazo, Senior Vice President, Director of Research, The Segal Company, on behalf of the National Coordinating Committee for Multiemployer Plans (NCCMP) and the Multiemployer Pension Plan Consortium; (v) Damon Silvers, Associate General Counsel, AFL–CIO; (vi) Mark Warshawsky, Director of Retirement

Research, Watson Wyatt Worldwide; Panel 2—(i) LeRoy Gilbertson, Member, National Policy Council, American Association of Retired Persons (AARP); (ii) Mark A. Davis, Vice President, CAPTRUST Financial Advisors, on behalf of the National Association of Independent Retirement Plan Advisors; (iii) Robert G. Chambers, Partner, McGuireWoods, on behalf of the American Benefits Council, the Profit Sharing/401k Council of America, and the Society for Human Resource Management; (iv) Christopher Jones, Executive Vice President of Investment Management and Chief Investment Officer, Financial Engines; (v) Edmund F. Murphy III, Managing Director, Putnam Investments, LLC; (vi) Jim McCarthy, Managing Director, Morgan Stanley, on behalf of the Securities Industry and Financial Markets Association (SIFMA).

On April 14, 2010, the Full Committee received testimony on the effectiveness of current energy tax policy and on policy options to ensure continued job growth while at the same time advancing national energy policy from the following witnesses: Panel 1—(i) The Honorable Michael Mundaca, Assistant Secretary for Tax Policy, United States Department of The Treasury, (ii) Matt Rogers, Senior Advisor to the Secretary, United States Department of Energy; Panel 2—(i) T. Boone Pickens, Chairman, BP Capital, (ii) Vic Abate, Vice President of Renewables, General Electric, (iii) Dr. Jeffrey Sachs, Director, The Earth Institute, Columbia University, (iv) Dr. Joseph Romm, Senior Fellow, Center for American Progress, (v) Karen Harbert, President and Chief Executive, Institute for 21st Century Energy, U.S. Chamber of Commerce; Panel 3—(i) Dr. Stephanie Burns, Chairman, President and Chief Executive Officer, Dow Corning, (ii) The Honorable Reed Hundt, Chief Executive Officer, Coalition for Green Capital, (iii) The Honorable Rod Dole, Auditor-Controller-Treasury-Tax Collector of Sonoma County, (iv) Mark Bolinger, Research Scientist, Lawrence Berkeley National Laboratory, and (v) The Honorable David Bohigian, Managing Partner, E2 Capital Partners.

On May 19, 2010, the Full Committee received testimony on the current tax laws and reporting requirements applicable to wagering in the United States. The Full Committee also received testimony on proposals within the Committee's jurisdiction pertaining to legislation pending in the Congress to license and regulate internet gambling activities. This testimony was received from the following witnesses: Panel 1—(i) The Honorable Barney Frank, Member of Congress, United States House of Representatives, (ii) The Honorable Jim McDermott, Member of Congress, United States House of Representatives, and (iii) The Honorable Bob Goodlatte, Member of Congress, United States House of Representatives; Panel 2—(i) Christopher Wagner, Commissioner, Small Business Self-Employed Division, Internal Revenue Service, United States Department of The Treasury, and (ii) Charles M. Steele, Deputy Director, Financial Crimes Enforcement Network, United States Department of The Treasury.

On July 22, 2010, the Full Committee heard testimony on transfer pricing issues in the global economy from the following witnesses: Panel 1—(i) Stephen Shay, Deputy Assistant Secretary for International Tax Affairs, United States Department of The Treasury, and (ii) Thomas Barthold, Chief of Staff, Joint Committee on Taxation; Panel 2—(i) Dr. Martin Sullivan, (ii) R. William Morgan,

Managing Director, Horst Frisch Incorporated, (iii) Reuven Aviyonah, Professor, University of Michigan School of Law, and (iv) James R. Hines Jr., Professor, University of Michigan School of Law.

c. Climate Change Hearings (Full Committee)

On February 25, 2009, the Full Committee received testimony on a scientific discussion of the objectives that climate change legislation should seek to achieve from (i) Dr. James Hansen, Adjunct Professor, The Earth Institute at Columbia University, (ii) Dr. Brenda Ekwurzel, Climate Scientist, Union of Concerned Scientists, and (iii) Dr. John Christy, Distinguished Professor of Atmospheric Science and Director of the Earth System Science Center, University of Alabama in Huntsville.

On March 26, 2009, the Full Committee received testimony on ways to design climate change legislation to reduce or eliminate price volatility while still achieving specific science-based environmental objectives from the following witnesses: Panel 1—Dr. Douglas Elmendorf, Director, Congressional Budget Office; Panel 2—(i) Dr. Daniel Lashof, Director, Climate Center, Natural Resources Defense Council, (ii) Dr. Dallas Burtraw, Senior Fellow, Resources for the Future, (iii) Dr. William Whitesell, Director of Policy Research, Center for Clean Air Policy, (iv) Michelle Chan, Program Director, Green Investments, Friends of the Earth, (v) Dr. Gilbert Metcalf, Professor of Economics, Tufts University, (vi) Dr. Margo Thorning, Senior Vice President and Chief Economist, American Council for Capital Formation.

d. Select Revenue Measures Subcommittee

July 14, 2010, Hearing on the Taxation of Reinsurance Between Related Entities, at which we heard from the Deputy Assistant Secretary at Treasury for International Tax Affairs, as well as other public and private sector advocates regarding proposals to change the tax rules regarding reinsurance premiums paid to related foreign reinsurance companies.

June 15, 2010, Hearing on Regulated Investment Company (RIC) Modernization Proposals, at which we heard testimony from private sector experts that the tax rules governing regulated investment companies, or mutual funds, were outdated and support for H.R. 4337, The Regulated Investment Company Modernization Act of 2009, expected to be signed into law before the end of this year.

May 13, 2010, Hearing on Infrastructure Banks, at which we heard from Congressional, state, and local advocates, as well as private sector experts, on proposals to create a federal infrastructure bank.

March 23, 2010, Hearing on Taxes as Part of the Federal Budget, at which we heard testimony from the Chief of Staff of the Joint Tax Committee and other private sector experts on the role of taxes in the federal budget.

B. LEGISLATIVE REVIEW OF TRADE ISSUES

1. U.S. TRADE AGENDA

a. Hearings

i. On July 27, 2010, the Subcommittee held a hearing on enhancing the transatlantic trade relationship. The hearing explored bilateral and multilateral issues of common interest for the United States and the European Union, and examined the pursuit of objectives through the existing transatlantic architecture. The hearing focused on: (1) potential issues presented by differences in approaches to regulatory standards on both a bilateral and multilateral basis; (2) ways to advance the World Trade Organization's (WTO) Doha Round of international trade negotiations; (3) opportunities for greater engagement between Congress and the European Parliament, particularly given the Parliament's heightened role in European trade policy-making; and (4) ways to take advantage of existing structures, including the Transatlantic Economic Council (TEC), the WTO and Article 2 of the North Atlantic Treaty Organization (NATO) treaty to promote economic collaboration. The Subcommittee heard testimony from private sector interests and a former official of the Carter and Clinton Administrations.

ii. On April 29, 2010, the Subcommittee held a hearing on U.S.-Cuba policy. The hearing explored whether relaxing current Cuba travel and trade restrictions would advance U.S. economic objectives, as well as democracy and human rights in Cuba. The hearing also reviewed U.S. policy toward Cuba and changes to that policy under the Obama Administration and evaluated possible policy options going forward. The Subcommittee heard testimony from private sector interests and a former official of the Reagan Administration.

iii. On July 21, 2009, the Subcommittee held a hearing on how the system of trade advisory committees is functioning, and on how to increase transparency and public participation in the development of U.S. trade policy. The hearing also explored the development of trade policy from several perspectives. The Subcommittee heard testimony from an Administration official on its recently-initiated policy review and consultations concerning the trade advisory committees. The hearing explored whether administrative or statutory changes, and building on revisions implemented in recent years, might broaden the range of views represented and permit the advisory committees to provide more timely and useful recommendations. The Subcommittee also heard testimony from private sector interests.

iv. On May 14, 2009, the Subcommittee held a hearing on investment obligations in U.S. bilateral investment treaties (BITs) and free trade agreements (FTAs). The committee examined the Obama Administration's intent to "review the implementation of our FTAs and BITs to ensure that they advance the public interest." The hearing focused on the investment protections that are included in U.S. FTAs and BITs, including provisions that have helped to safeguard investments held by U.S. citizens in dozens of foreign countries and protect U.S. investors from expropriation without compensation, as well as discriminatory and inequitable treatment by foreign governments. The hearing also addressed the following con-

cerns: whether our FTAs and BITs give foreign investors in the United States greater rights than U.S. investors have under U.S. law; whether the FTAs and BITs give governments the “regulatory and policy space” needed to protect the environment and the public welfare; and whether an investor should have the right to submit to arbitration a claim that a host government has breached its investment obligations under a FTA or a BIT. The Subcommittee heard testimony from private sector interests.

v. On March 24, 2009, the Subcommittee held a hearing on climate change legislation. The hearing focused on a discussion of the trade aspects of climate change legislation, including how to minimize carbon leakage and maintain U.S. competitiveness. The Subcommittee heard testimony from private sector interests to ensure that any actions undertaken by the United States are consistent with our international obligations and that U.S. businesses, farmers, and workers remain competitive until a global climate change agreement comes into effect.

b. Legislation

The National Defense Authorization Act of Fiscal Year 2011

On April 26, 2009, Congressman Skelton (D–MO) introduced H.R. 5136, the National Defense Authorization Act of Fiscal Year 2011, which included a requirement that the Secretary of Defense, in consultation with the U.S. Trade Representative, consider the effect that other countries’ trade policies have on the ability of the United States to obtain rare earth minerals. On April 26, 2009, Chairman Levin and Chairman of the House Committee on Armed Services Skelton exchanged letters, acknowledging the jurisdiction of the Ways and Means Committee and its agreement to forgo consideration of the bill because of amendments to address the concerns of the Committee. On May 21, 2010, the Committee referred the bill as amended for floor consideration. The House passed H.R. 5136, as amended, by a recorded vote of 229–186 and referred the bill to the Senate on May 28, 2010. On June 9, 2010, the bill was received in the Senate. No further action was taken in the Senate.

To Establish an Emergency Commission to End the Trade Deficit

On April 2, 2009, Congressman Peter DeFazio (D–OR) introduced H.R. 1875, to establish an emergency commission to end the trade deficit. The bill was referred to the House Committee on Ways and Means. On July 29, 2010, Chairman Levin offered a manager’s amendment to H.R. 1875, which passed the House on July 29, 2010, under a suspension of the rules by a voice vote. The bill was sent to the Senate on July 29, 2010, and referred to the Senate Committee on Finance on August 5, 2010. No further action was taken on this legislation in the 111th Congress.

c. Executive Sessions

On March 17, 2010, the Committee held an executive session with Ambassador Ronald Kirk, United States Trade Representative, to discuss the President’s 2010 Trade Policy Agenda and 2009 Annual Report that were released on March 1, 2010.

d. Congressional Delegations and Staff Delegations

Yokohama, Japan (November 9–12, 2010)

Congressman Kevin Brady (R–TX) and Committee staff for the Majority and the Minority traveled to Yokohama, Japan, from November 9–12, 2010, as part of the Asia Pacific Economic Cooperation (APEC) annual meetings. The purpose of the trip was to meet with trade ministers from the APEC member countries, business leaders and U.S. officials about increasing U.S. economic engagement and cooperation in the region. Of particular interest were discussions regarding: (1) the ongoing Trans-Pacific Partnership Agreement negotiations among many of the APEC members, including the United States; (2) the World Trade Organization Doha Round; and (3) priorities for the U.S. hosting of the annual APEC meetings in 2011.

Seoul, Korea (November 5–12, 2010)

Committee staff for the Majority and the Minority traveled to Seoul, Korea, from November 5–12, 2010, to provide guidance to the U.S. Trade Representative (USTR) on congressional views relating to the U.S.-Korea Free Trade Agreement for the negotiations that were taking place in the lead up to, and during, the G–20 Summit.

Geneva, Switzerland (November 30–December 3, 2009)

Committee staff for the Majority and the Minority traveled to Geneva, Switzerland, from November 30–December 3, 2009, to attend the World Trade Organization (WTO) Ministerial meeting. Discussions were held with key WTO member country negotiators and WTO Secretariat staff regarding trade issues of interest, including the WTO Doha Round negotiations.

Singapore (November 10–14, 2009)

Congressman Sander M. Levin (D–MI), Congressman Kevin Brady (R–TX), and Committee staff for the Majority and the Minority traveled to Singapore from November 10–14, 2009, to attend the Asia-Pacific Economic Cooperation (APEC) Annual Leader’s Week (“Ministerial”) meetings. Two of the three core issue areas that were discussed at the Ministerial were related to trade: (1) supporting multilateral trading systems; and (2) accelerating regional economic integration and increasing U.S. economic involvement in the region.

Haiti (September 30–October 2, 2009)

Committee staff for the Majority and the Minority traveled to Haiti from September 30–October 2, 2009, to participate in the Inter-American Development Bank (IDB) and International Labor Organization’s (ILO’s) events to highlight investment and business opportunities in Haiti, including under the HOPE program passed by Congress.

Nairobi, Kenya and Addis Ababa and Axum, Ethiopia (August 2–9, 2009)

Congressman Jim McDermott (D–WA) and Committee staff for the Majority and the Minority traveled to Nairobi, Kenya, and

Addis Ababa and Axum, Ethiopia, from August 2–9, 2009, to attend the Eighth Annual Forum on the African Growth Opportunity Act (AGOA), as well as to attend subsequent meetings in Ethiopia with USTR.

Peru (July 12–18, 2009)

Committee staff for the Majority and the Minority traveled to Peru from July 12–18, 2009. The purpose of the trip was to investigate issues related to the U.S.-Peru Free Trade Agreement (FTA). Staff reviewed the implementation of the free trade agreement and in particular, the FTA's labor and environmental provisions. The staff delegation met with government and nongovernment officials to assess Peru's efforts to meet its FTA labor-related commitment to protect and enforce workers-rights, as well as attended the inaugural meeting of the Forest Sector Subcommittee, which was created under the FTA.

Mexico and Trinidad and Tobago (April 16–19, 2009)

Chairman Charles B. Rangel traveled to Mexico with President Obama on April 12 before joining the delegation to Trinidad and Tobago for the Summit of the Americas. The Chairman was joined by Majority staff in Mexico. At the Summit of the Americas in Trinidad and Tobago, where Congressman Kevin Brady (R-TX) and Minority staff joined the delegation, the focus was the Doha Round, bilateral and plurilateral trade agreements with nations in the region, trade preferences and more generally, how best to shape trade to promote economic development, stability and prosperity.

Bogota, Medellin, and Cali, Colombia; Port of Spain, Trinidad and Tobago, and Panama City, Panama (April 12–22, 2009)

Congressman Sander M. Levin (D-MI) and Committee staff for the Majority traveled to Bogota, Medellin, and Cali, Colombia; Port of Spain, Trinidad and Tobago, and Panama City, Panama, from April 12–22. The purpose of the trip was to investigate issues related to the U.S.-Colombia Free Trade Agreement; the Summit of the Americas; and the U.S.-Panama Free Trade Agreement. With respect to Colombia, the focus was on the climate for exercising labor rights in Colombia and other points of focus included the human rights situation in Colombia and the impact of the proposed free trade agreement on the Colombian economy, including the agriculture sector. At the Summit of the Americas in Trinidad and Tobago, the focus was the Doha Round, bilateral and plurilateral trade agreements with nations in the region, trade preferences and more generally, how best to shape trade to promote economic development, stability and prosperity. In Panama, the focus of the trip was on Panama's labor law regime and the impact of the FTA on the Panamanian economy.

2. BILATERAL AND REGIONAL ISSUES

a. Free Trade Agreements

i. Completed Agreements

In June and July 2007, the United States signed free trade agreements with Colombia, Panama, Peru, and South Korea. The

agreement with Peru was approved and implemented through the United States-Peru Trade Promotion Agreement Implementation Act, in December 2007 (P.L. 110–138). But, due to various concerns by some parties with the remaining three agreements, Congress has not approved or implemented the agreements with Colombia, Panama, or Korea.

The Administration continues its work to address the remaining concerns with the pending agreements. For example, in November 2010, the United States and Panama signed a Tax Information Exchange Agreement. In December 2010, the United States and Korea reached a deal to address outstanding issues concerning trade in automobiles.

ii. Ongoing Negotiations

Trans-Pacific Partnership Agreement

On September 22, 2008, U.S. Trade Representative Schwab announced that the United States would join negotiations to conclude the Trans-Pacific Strategic Economic Partnership Agreement. The four original members—Brunei Darussalam, Chile, New Zealand, and Singapore—signed an agreement in 2005. The United States was the first additional country to seek to join the agreement. In March 2008, the United States began participating in negotiations related to financial services and investment with the original four members. In September 2008, the Bush Administration announced that the United States would negotiate full TPP membership, opening all economic sectors to negotiation. In December 2008, President Bush notified Congress that USTR would also be negotiating with potential TPP members from Australia, Peru, and Vietnam. On December 14, 2009, United States Trade Representative Ron Kirk notified Congress that President Obama intended to enter into the TPP negotiations. During 2010, the United States, Australia, Peru, Vietnam (as an associate member), and the four original members held four rounds of TPP negotiations. At the APEC leaders' meeting in November, Malaysia formally joined the negotiations and Vietnam, which had previously only participated as an associate member, became a full participant in the negotiations.

b. Trade Preference Programs

i. Legislation

On December 13, 2010, Chairman Levin introduced H.R. 6517, the Omnibus Trade Act of 2010. This legislation, among other things, extended the Generalized System of Preferences (GSP) program until June 30, 2012 and extended the Andean Trade Promotion and Drug Eradication Act (ATPDEA) for Colombia and Ecuador until June 30, 2012 and changed the biannual reporting requirement to an annual reporting requirement. On December 15, 2010, the House passed this legislation, as amended, by voice vote on December 15, 2010. On December 16, 2010, this legislation was delivered to the Senate. On December 22, 2010, the Senate agreed to an amendment to H.R. 6517 that extended the Andean program for Colombia and Ecuador for 6 weeks. The House agreed to the amendment, and the bill is expected to become law. The GSP program was not renewed.

On April 28, 2010, the Chairman Levin, Ranking Member Dave Camp (R-MI), and Congressman Charles Rangel (D-NY) introduced H.R. 5160, the Haiti Economic Lift Program (HELP) Act of 2010. The bill was part of the U.S. response for Haiti's post-earthquake economic recovery. The HELP Act extended both the Caribbean Basin Trade Partnership Act (CBTPA) and the HOPE Act through September 30, 2020. The bill provides duty-free treatment for additional textile and apparel products that are wholly assembled or knit-to-shape in Haiti regardless of the origin of the inputs. The bill also substantially increases tariff preference levels (TPLs) under which certain Haitian knit and woven apparel products may receive duty-free treatment regardless of the origin of the inputs. The bill extends until December 20, 2015, the rule that provides duty-free treatment for apparel wholly assembled or knit-to-shape in Haiti with at least 50 percent value from Haiti, the United States, a U.S. free trade agreement partner or preference program beneficiary, or a combination thereof. The bill similarly extends until December 20, 2017, duty-free treatment for Haitian apparel with at least 55 percent of value from qualifying countries, and until December 20, 2018, duty-free treatment for Haitian apparel with at least 60 percent of value from qualifying countries. The bill extends until December 20, 2016, the rule that provides duty-free treatment for wire harness automotive components imported from Haiti. On May 5, 2010, the House took up the bill, as amended, under suspension and agreed to the bill by voice vote. On May 6, 2010, the bill was received in the Senate and passed by voice vote. On May 24, 2010, H.R. 5160 was signed by the President and became Public Law No. 111-171.

On December 11, 2009, the Chairman introduced H.R. 4284, a bill to extend to December 30, 2010, the Generalized System of Preferences, the Andean Trade Preference Act and the Andean Trade Preferences and Drug Eradication Act (hereinafter "the Andean Preference Programs"). On December 14, 2009, the House took up the bill under suspension and agreed to the bill by voice vote. H.R. 4284 extended the Andean Preference Programs until December 30, 2010. On December 22, 2009, the bill was received in the Senate and passed by unanimous consent. On December 28, 2009, H.R. 4284 was signed by the President and became Public Law No. 111-124.

On March 4, 2009, Congressman Chris Van Hollen (D-MD) introduced H.R. 1318: Afghanistan-Pakistan Security and Prosperity Enhancement Act. The bill was referred to the House Ways and Means Committee. On May 10, 2010, H.R. 1318 was included as a House amendment to H.R. 2410, the Foreign Relations Authorization Act, Fiscal Years 2010 and 2011. On June 10, 2010, the House passed the bill, as amended, by a recorded vote, 235-187. On June 22, 2010 the bill was received in the Senate and referred to the Senate Committee on Foreign Relations. No further action was taken on this legislation in the 111th Congress.

ii. Hearings and Executive Sessions

On November 17, 2009, the Committee held a hearing to evaluate the operation and impact of the U.S. preference programs to date, to understand the lessons learned from the circumstances where the preference programs have been successful, and to iden-

tify opportunities for improvement in areas where challenges remain. The Subcommittee heard testimony from Members of Congress, officials from the Obama Administration, academics, representatives from the business community and other non-governmental organizations.

iii. Reports

Andean Countries

In September 2010, the Committee received a report from the ITC entitled *Andean Trade Preference Act: Impact on U.S. Industries and Consumers and on Drug Crop Eradication and Crop Substitution, 2009. Fourteenth Report*. Publication 4188. Washington, D.C.: September 2010.

In June 2010, the Committee received a report from the U.S. Trade Representative entitled *Fifth Report to the Congress on the Operation of the Andean Trade Preference Act as Amended*. Washington, D.C.

Caribbean Countries

In October 2010, the Committee received a report from International Labour Organization, Better Work Haiti entitled *Better Work Haiti: Garment Industry 1st Biannual Report under the HOPE II Legislation*. Geneva, Switzerland.

c. Burma

i. Legislation

Annual Renewal

On June 4, 2009, Congressman Joseph Crowley (D-NY) introduced H.J. Res. 56 to authorize the renewal of import restrictions imposed under the Burma Freedom and Democracy Act. The joint resolution was referred solely to the Ways and Means Committee. The House passed H.J. Res. 56 under a suspension of the rules by voice vote on July 21, 2009. The Senate passed the joint resolution without amendment by unanimous consent on July 23, 2009. On July 28, 2009, H.J. Res. 56 was signed by the President and became Public Law No. 111-42.

On May 11, 2010, Congressman Joseph Crowley (D-NY) and Congressman Charles Boustany (R-LA) introduced H.J. Res. 83 to authorize the renewal of import restrictions imposed under the Burma Freedom and Democracy Act. The joint resolution was referred solely to the Ways and Means Committee. The House passed H.J. Res. 83 under a suspension of the rules by voice vote on July 14, 2010. On July 22, 2010, the Senate passed the joint resolution without amendment by a recorded vote of 99-1. On July 27, 2010, H.J. Res. 83 was signed by the President and became Public Law No. 111-210.

On September 29, 2010, Congressman Donald Manzullo (R-IL) introduced H. Res. 1677 to condemn the Burmese elections held on November 7, 2010. The resolution was referred to the House Committees on Foreign Affairs, Judiciary and Ways and Means. On November 17, 2010, Chairman Levin and Chairman of the House Foreign Affairs Committee Berman exchanged letters, acknowledging the jurisdiction of the Ways and Means Committee and its agree-

ment to forgo consideration of H. Res. 1677 because of modifications made to address the Committee's jurisdiction. The House passed H. Res. 1677, as amended, under a suspension of the rules by voice vote on November 18, 2010.

d. China

i. Legislation

On May 13, 2009, Congressman Tim Ryan (D-OH) introduced H.R. 2378, the Currency Reform for Fair Trade Act. The bill was referred to the House Committee on Ways and Means. On September 24, 2010, the Chairman held a markup of the bill and proposed a Chairman's amendment in the nature of a substitute. H.R. 2378, as amended, was reported out of Committee, by voice vote on September 24, 2010. The House passed H.R. 2378, as amended, by a recorded vote of 348–79, 6 present/not voting. On September 29, 2010, the bill was received in the Senate and referred to the Senate Committee on Finance. No further action was taken on this legislation in the 111th Congress.

ii. Hearings

The Committee held a series of hearings on trade with China in the 111th Congress.

The first hearing, held on March 24, 2010, addressed the issue of currency manipulation and its effects on U.S. businesses and workers. The hearing focused on: (1) the immediate and long-term impact of China's exchange rate policy on the U.S. and global economic recoveries and, more specifically, on U.S. job creation; and (2) steps that could be taken to address the issues. The Committee heard testimony from private sector interests, and former officials from the Carter and Reagan Administrations.

The second hearing, held on June 16, 2010, addressed the growing concerns that China may be moving away from market-based economic reform and toward a system often described as "state capitalism," with trade-distorting subsidies and restrictions on trade and investment. The hearing examined this general trend and its impact on the United States and the global economy, as well as several specific Chinese policies that appear to discriminate against U.S. businesses and to distort trade and investment flows. The purpose of the hearing was to consider: (1) The "indigenous innovation" initiative; (2) systemic lack of enforcement of intellectual property rights; (3) adoption of national product standards (such as in wireless technologies); (4) renewable energy equipment policies; and (5) industrial subsidies and other measures that contribute to overcapacity in capital-intensive industries like steel and wind power equipment. The Committee received testimony from six Members of Congress, private sector interests and former officials from the Carter and Bush Administrations.

The third hearing, held on September 15, 2010, addressed the issue of currency manipulation and its effects on U.S. businesses and workers. The purpose of the hearing was to consider: (1) Whether, and to what extent, the Chinese renminbi (RMB) is undervalued as a result of foreign government intervention in the currency markets; (2) the immediate and long-term impact an undervalued RMB has on the economies of the United States and other

countries, and on the global economy; and (3) what action, if any, the United States should take to address exchange rate manipulation. During the hearing, the Committee received testimony from four Members of Congress, private sector and former officials from the Carter and Clinton Administrations.

The fourth hearing, held on September 16, 2010, addressed the issue of currency manipulation and the Obama Administration's response to China's currency undervaluation. The Committee received testimony during the hearing from the Honorable Timothy Geithner, the Secretary of the U.S. Department of the Treasury.

iii. Reports

On December 11, 2009, the Committee received from the U.S. Trade Representative the "2009 Report to Congress on China's WTO Compliance," pursuant to section 421 of the U.S.-China Relations Act of 2000 (P.L. 106-286).

On December 13, 2010, the Committee received a report from the ITC entitled the *China: Intellectual Property Infringement, Indigenous Innovation Policies, and Frameworks for Measuring the Effects on the U.S. Economy*. Publication: 4199. Washington, D.C. November 2010.

e. Cuba

In September 2009, the Committee received a report from the GAO entitled *U.S. Embargo on Cuba: Recent Regulatory Changes and Potential Presidential or Congressional Actions*. Publication GAO-09-951R. Washington, D.C.: September 2009.

f. Iran

On April 30, 2009, Congressman Berman (D-CA) introduced H.R. 2194, the Iran Refined Petroleum Sanctions Act of 2009, to amend and extend the Iran-Libya Sanctions Act of 1996 (ISA) to December 31, 2016. The bill was referred to the House Committees on Foreign Affairs, Financial Services, Oversight and Government Reform, and Ways and Means. On November 19, 2009, the Committee on Foreign Affairs referred the bill, as amended, for floor consideration. On the same date, the Committee on Ways and Means was granted an extension for further consideration. On December 4, 2009, the Committee on Ways and Means discharged the bill. On December 11, 2009, Chairman Rangel and Chairman of the House Committee on Foreign Affairs Berman exchanged letters, acknowledging the jurisdiction of the Ways and Means Committee and the Committee's agreement to forgo consideration of the bill because amendments were made to the bill to address the Committee's concerns. The House passed H.R. 2194, as amended, by a recorded vote 412-12, 4 present, and referred the bill to the Senate on December 15, 2009. On March 11, 2010, the Senate passed an amendment to the House bill, by unanimous consent, and requested a conference. On April 22, 2010, the House agreed to a conference. The conference was held on April 28, 2010, and the conferees agreed to a conference report, filed on June 23, 2010. On June 24, 2010, the Senate passed the report by a recorded vote of 99-0, and the House passed the report by a recorded vote of 408-8, 1 present. On July 1, 2010, H.R. 2194, the Comprehensive Iran

Sanctions, Accountability, and Divestment Act of 2010, as enacted, was signed by the President and became Public Law No. 111–195.

3. TRADE ADJUSTMENT ASSISTANCE

a. Legislation

The Trade and Globalization Adjustment Assistance Act of 2009 was enacted as part of H.R. 1, the American Recovery and Reinvestment Act of 2009, and made significant improvements to the Trade Adjustment Assistance (TAA) programs.

With regard to the TAA for Workers program, the legislation made service sector workers eligible for the program, expanded access for manufacturing and secondary workers, significantly increased training funding and created more flexible training options, including by promoting pre-layoff, part-time and longer-term training. Critically, it also increased the TAA for Workers Health Coverage Tax Credit to 80 percent and made several important changes to the existing credit. These changes are designed to minimize gaps in coverage and assure access to insurance policies that meet the health and medical needs of eligible individuals and their families. Additionally, the Trade and Globalization Adjustment Assistance Act of 2009 improved the Reemployment Trade Adjustment Assistance wage insurance program and renamed it the Reemployment Trade Adjustment Assistance Program. Furthermore, the Trade and Globalization Adjustment Assistance Act of 2009 made important reforms to the TAA for Firms program and tripled its authorization, improved the TAA for Farmers program and created the TAA for Communities program.

The House passed H.R. 1, as amended, by a recorded vote 244–188 and referred the bill to the Senate on January 28, 2009. On February 10, 2009, the Senate passed the bill, with an amendment, by a recorded vote of 61–37, and requested a conference. On February 10, 2009, the House agreed to a conference. The conference was held on February 11, 2009, and the conferees agreed to file the conference report on February 12, 2009. On February 13, 2009, the Senate passed the report by a recorded vote of 60–38, and the House passed the report by a recorded vote 246–183, 1 present. On February 17, 2009, H.R. 1 was signed by the President and became Public Law No. 111–5.

The Reconciliation Act of 2010

On March 17, 2010, Congressman John Spratt (D–SC) introduced H.R. 4872, the Reconciliation Act of 2010. The House-passed version of the legislation authorized and appropriated \$2 billion over four years (FY2011–FY2014) for the TAA for Communities—Community College and Career Training Grant Program. (In an exchange of letters on March 16, 2010, Chairman Levin and Chairman of the House Committee on Education and Labor Miller confirmed the exclusive jurisdiction of the Ways and Means Committee over the TAA for Communities—Community College and Career Training Grant Program, as amended through reconciliation.) On March 21, 2010, the House passed H.R. 4872, as amended, by a recorded vote, 220–211. On March 25, 2010, the Senate agreed to a Senate amendment to the House amendment by a recorded vote of 56–43. On March 25, 2010, the House agreed to the Senate amend-

ment to the House amendment by a recorded vote of 220–207. On March 30, 2010, H.R. 4872 was signed by the President and became Public Law No. 111–152.

The Omnibus Trade Act of 2010

On December 13, 2010, Chairman Levin introduced H.R. 6517, the Omnibus Trade Act of 2010. On December 15, 2010, H.R. 6517, as amended, passed in the House by voice vote. The House-passed version of the legislation included provisions extending the TAA reforms included in The Trade and Globalization Adjustment Assistance Act of 2009 until June 30, 2012, and delaying the Department of Labor’s merit staffing rule for the duration of the extension. Additionally, H.R. 6517, as amended, expanded the TAA for Communities—Community College and Career Training Grant Program by authorizing program grants to be used by community colleges to develop training programs for the unemployment insurance population; authorized the Department of Labor to spend up to 5 percent of program funds to administer, evaluate and establish reporting systems for the program; and provided the Department with time and thus, flexibility, to obligate grant funds. On December 22, 2010, the Senate agreed to an amendment to H.R. 6517 by unanimous consent. The amendment included a 6 week extension of the trade adjustment assistance programs as reformed in 2009. The amendment also delayed the merits staffing rule for the duration of the extension. The House agreed to the Senate amendment, and the bill is expected to become law.

4. MISCELLANEOUS TARIFF BILL

On November 1, 2007, Chairman Levin and Ranking Member Heger of the Ways and Means Trade Subcommittee issued an advisory requesting that Members who planned to introduce tariff and duty suspension legislation do so by December 14, 2007. The Committee received roughly 800 requests from Members of Congress. The Committee also received roughly 750 Congressional Bill Reports on the tariff and duty suspension legislation from the U.S. International Trade Commission, as well as comments from the Department of Commerce, Customs and Border Protection and the United States Trade Representative by September 2008. To further increase transparency in the MTB process, the Ways and Means Committee for the first time published on its website all publicly-available information on each bill in an easily searchable format so that it can be accessed in one place. This information includes: (1) Administration comments; (2) the International Trade Commission and Congressional Budget Office reports; and (3) each public comment received. It also includes a copy of each Member Disclosure filed for each bill indicating whether the requested duty suspension benefits 10 or fewer entities, and certifying that the Member and Member spouse have no financial interest in the benefit. No further action was taken on this legislation in the 110th Congress.

During the 111th Congress, action was taken to consider the over 800 provisions the Subcommittee received during the 110th Congress.

a. Legislation

The Miscellaneous Trade and Technical Corrections Bill of 2009

On December 16, 2009, Chairman Levin (D–MI) and Ranking Member Brady (R–TX) of the Ways and Means Trade Subcommittee introduced H.R. 4380, the Miscellaneous Trade and Technical Corrections Bill of 2009. The bill included roughly 600 tariff and duty suspension bills. Many of these provisions would later be enacted in subsequent legislation mentioned below.

The U.S. Manufacturing Enhancement Act of 2010

On July 21, 2010, Chairman Levin (D–MI) offered a Manager’s Amendment to H.R. 4380, entitled the U.S. Manufacturing Enhancement Act of 2010. The Manager’s Amendment to H.R. 4380 included: (1) Vetted House introduced extensions of existing duty suspensions/reductions; (2) vetted Senate-introduced extensions of existing duty suspensions/reductions; and (3) vetted new duty suspensions/reductions introduced in both the House and Senate. On July 21, 2010, the Manager’s Amendment to H.R. 4380 passed the House under suspension of the rules by a vote of 378–43. On July 27, 2010, the Senate received and passed the bill, without amendments, by unanimous consent. On August 11, 2010, the bill became Public Law No. 111–227.

Omnibus Trade Act of 2010

On December 13, 2010, Chairman Levin (D–MI) introduced H.R. 6517, the Omnibus Trade Act of 2010, which included, among other things, some provisions of the Miscellaneous Trade and Technical Corrections Bill of 2009 (H.R. 4380). The bill included: (1) Vetted new duty suspensions/reductions introduced in both the House and Senate; and (2) vetted Senate-introduced extensions of existing duty suspensions/reductions. On December 15, 2010, the House passed H.R. 6517, as amended, by voice vote. On December 22, the Senate passed by unanimous consent an amendment to H.R. 6517, which did not include the miscellaneous tariff bill provisions.

5. CUSTOMS AND BORDER PROTECTION

a. Hearings

On May 20, 2010, the Committee held a hearing on Customs Trade Facilitation and Enforcement in a Secure Environment. The hearing explored efforts by CBP and ICE to facilitate legitimate trade and enforce U.S. trade and other laws in a safe and secure environment. The Subcommittee focused on: (1) What is needed for the successful and more timely implementation of the Automated Commercial Environment (ACE) and the International Trade Data System (ITDS); (2) whether, and if so how, advanced data security initiatives such as “10+2” and security programs like the Customs–Trade Partnership Against Terrorism (C–TPAT) can provide security and better facilitate legitimate trade; (3) whether the concept of “management by account” provides a possible 14 new model for managing the importing process and facilitating legitimate trade; (4) a review of CBP’s structure, policies and operations, and whether they are adequately supporting its trade facilitation and com-

mercial enforcement functions; and (5) CBP and ICE challenges in revenue collection and customs enforcement. The Subcommittee heard testimony from Alan Bersin, the Commissioner of the U.S. Customs and Border Protection, Timothy Skud, the Deputy Assistant Secretary for Tax, Trade and Tariff Policy of the U.S. Department of the Treasury, and Alonzo Pena, the Deputy Secretary for Operations, U.S. Immigration and Customs Enforcement at the U.S. Department of Homeland Security, as well as representatives from the business community and former government officials.

b. Reports

In September 2010, the Committee received a report from the GAO entitled, “CBP Has Made Progress in Assisting the Trade Industry in Implementing the New Importer Security Filing Requirements, but Some Challenges Remain.” Publication GAO-10-841. Washington, D.C.: September 2010.

6. OTHER TRADE ISSUES

a. Legislation

Modification to the Wool Apparel Manufacturers Trust Fund

On November 6, 2009, Congresswoman Louise Slaughter (D-NY) introduced H.R. 4057, a bill to modify the Wool Apparel Manufacturers Trust Fund. The bill was referred to the House Ways and Means Committee. On May 28, 2010, H.R. 4057 was included as a House amendment to a Senate amendment to H.R. 4213, the American Jobs and Closing Tax Loopholes Act. On May 28, 2010, the House passed the Senate amendment, by a recorded vote, 215–204. On July 21, 2010, the Senate voted on the House amendment to the Senate amendment and passed an amendment striking the provision containing H.R. 4057 from the bill. As such, H.R. 4057 was not enacted into law. On December 13, 2010, H.R. 4057, with certain modifications, was included in H.R. 6517, the Omnibus Trade Act, as amended. On December 15, 2010, the House passed H.R. 6517, as amended, by voice vote. On December 22, the Senate passed by unanimous consent an amendment to H.R. 6517, which did not include the wool provisions.

To amend the Tariff Act of 1930 to include Ultralight Aircraft

On May 13, 2010, Congressman Gabrielle Giffords (D-AZ) and Congressman Dean Heller (R-NV) introduced H.R. 5307, to amend the Tariff Act of 1930 to include ultralight aircraft under the definition of aircraft for 15 purposes of the aviation smuggling provisions under that act. The bill was referred to the House Committee on Ways and Means, Subcommittee on Trade. H.R. 5307 passed the House on September 23, 2010, under suspension of the rules by a recorded vote of 412–3. The bill was received in the Senate on September 24, 2010, and referred to the Senate Committee on Finance. No further action was taken on this legislation in the 111th Congress.

The Radioactive Import Deterrence Act

On January 14, 2009, Congressman Bart Gordon (D-TN) introduced H.R. 515, the Radioactive Import Deterrence Act. On Decem-

ber 1, 2009, Chairman Rangel and Chairman of the House Committee on Energy and Commerce Waxman exchanged letters, acknowledging the jurisdiction of the Ways and Means Committee and its agreement to forgo consideration of the bill because of modifications made to address the concerns of the Committee. The House passed H.R. 515, as amended, under suspension of the rules by a recorded vote of 309–112 and referred the bill to the Senate on December 2, 2009. On December 3, 2010, the bill was received in the Senate. No further action was taken on this legislation in the 111th Congress.

Family Smoking Prevention and Tobacco Control Act

On March 3, 2009, Congressman Henry Waxman (D–CA) introduced H.R. 1256, the Family Smoking Prevention and Tobacco Control Act. On March 16, 2009, Chairman Rangel and Chairman of the House Committee on Energy and Commerce Waxman exchanged letters, acknowledging the jurisdiction of the Ways and Means Committee and its agreement to forgo consideration of the bill. The House passed H.R. 1256, as amended, by a recorded vote of 298–112 and referred the bill to the Senate on April 2, 2009. The Senate passed H.R. 1256 with an amendment by a recorded vote of 79–17. On June 12, 2009, the House adopted the Senate’s amendment to the bill by a recorded vote of 307–97. On July 22, 2009, H.R. 1256, as amended, was signed by the President and became Public Law No. 111–31.

Federal Advisory Committee Act Amendments of 2010

On March 5, 2009, Congressman Clay (D–MO) introduced H.R. 1320, the Federal Advisory Committee Act Amendments of 2010, to increase the transparency and accountability of Federal advisory committees. On July 21, 2010, Chairman Levin and Chairman of the House Committee on Oversight and Government Reform Towns exchanged letters, acknowledging the jurisdiction of the Ways and Means Committee and its agreement to forgo consideration of the bill because of modifications made to address the Committee’s concerns. The House passed H.R. 1320 under a suspension of the rules, as amended, by a recorded vote of 250–124 and referred the bill to the Senate on July 27, 2010. No further action was taken on this legislation in the 111th Congress.

Insurance Information Act of 2009

On May 21, 2009, Congressman Kanjorski (D–PA) introduced H.R. 2609 to improve the development and coordination of Federal policy on international insurance matters. The provisions of the bill could have affected, *inter alia*, how U.S. obligations under international trade agreements are implemented and the role of the Office of the U.S. Trade Representative in negotiating such agreements. On October 26, 2009, Chairman Rangel exchanged letters with Chairman of the House Financial Services Committee Frank acknowledging the jurisdiction of the Ways and Means Committee and requesting that the Committee postpone its markup to provide time to resolve some important issues raised by H.R. 2609. On December 2, 2009, Chairman Rangel exchanged letters with Chairman of the House Financial Services Committee Frank recognizing the amendments made by the Committee to address the concerns

raised and agreed to forgo consideration of the bill. On December 2, 2009, the Subcommittee on Capital Markets, Insurance and Government-sponsored Enterprises amended H.R. 2609 and referred the bill to the Full Financial Services Committee by voice vote. On December 2, 2009, Congressman Barney Frank (D-CA) introduced H.R. 4713, the Wall Street Reform and Consumer Protection Act of 2009. Provisions of H.R. 2609, as amended, were included in H.R. 4713. On December 11, 2009, the House passed H.R. 4713 by a recorded vote of 223–202. On May 20, 2010, the Senate amended and passed H.R. 4713 by a recorded vote of 59–39, and requested a conference. On June 29, 2010, after conferees met for seven days, the conference report was agreed to and filed with the House. On June 30, 2010 and July 15, 2010, the House and Senate, respectively, agreed to the report. On July 21, 2010, H.R. 4713 was signed by the President and became Public Law No. 111–203.

Food Safety Enhancement Act of 2009

On June 8, 2009, Congressman Dingell (D-MI) introduced H.R. 2749, the Food Safety Enhancement Act of 2009, to improve and ensure security and safety of food offered for consumption and consumed in the United States. On July 27, 2009, Chairman Rangel and Chairman of the House Committee on Energy and Commerce Waxman exchanged letters, acknowledging the jurisdiction of the Ways and Means Committee and its agreement to forgo consideration of the bill because of modifications made to address the Committee’s concerns. The House passed H.R. 2749 by a recorded vote of 283–142, and referred the bill to the Senate on July 30, 2009. No further action was taken on this bill in the 111th Congress.

b. Enforcement of Intellectual Property Rights

i. Anti-Counterfeiting Trade Agreement (ACTA)

On October 23, 2007, U.S. Trade Representative Susan C. Schwab announced the United States’ intent to negotiate an Anti-Counterfeiting Trade Agreement (ACTA). The Agreement, negotiated by Australia, Canada, the European Union, Japan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland, and the United States, recognizes the critical importance of strong intellectual property rights enforcement for a prosperous economy. The ACTA participants announced the finalization of the Agreement text on November 15, 2010. Following the legal verification of the text, each ACTA country must then fulfill its relevant domestic requirements for approval. ACTA will enter into force after six ACTA participants formally deposit their instruments of ratification, acceptance, or approval. In the United States, the Administration intends to implement the agreement as an executive agreement not requiring Congressional action or approval.

ii. Reports

On April 30, 2010, the Committee received the 2010 “Special 301” Report from the U.S. Trade Representative on the adequacy and effectiveness of intellectual property rights protection by U.S. trading partners. Eleven countries were included on the “priority watch list” of partners who fail to provide an adequate level of IPR enforcement or protection: The People’s Republic of China, Russia,

Algeria, Argentina, Canada, Chile, India, Indonesia, Pakistan, Thailand, and Venezuela.

On February 19, 2009, the Committee received the 2009 “Special 301” Report from the U.S. Trade Representative on the adequacy and effectiveness of intellectual property rights protection by U.S. trading partners. Twelve countries were included on the “priority watch list”: Algeria, Argentina, Canada, Chile, India, Indonesia, Israel, Pakistan, The People’s Republic of China, Russian Federation, Thailand, and Venezuela.

c. Other Select Reports Received by the Committee

In March 2010, the Committee received the *2010 Trade Policy Agenda and the 2009 Annual Report of the President of the United States on the Trade Agreements Program*. Section 163 of the Trade Act of 1974, as amended, and sections 122 and 124 of the Uruguay Round Agreements Act require USTR to submit this report to Congress annually.

In March 2010, the Committee received the *2010 National Trade Estimate Report*. This annual report from USTR to Congress is mandated by section 181 of the Trade Act of 1974, as amended by section 303 of the Trade and Tariff Act of 1984, section 1304 of the Omnibus Trade and Competitiveness Act of 1988, section 311 of the Uruguay Round Trade Agreements Act, and section 1202 of the Internet Tax Freedom Act.

In December 2009, the Committee received a report from the GAO entitled *SOFTWOOD LUMBER ACT OF 2008, Customs and Border Protection Established Required Procedures, but Agencies Report Little Benefit from New Requirements*. Publication GAO–10–220. Washington, D.C. December 18, 2009.

In March 2009, the Committee received the *2009 National Trade Estimate Report*. This annual report from USTR to Congress is mandated by section 181 of the Trade Act of 1974, as amended by section 303 of the Trade and Tariff Act of 1984, section 1304 of the Omnibus Trade and Competitiveness Act of 1988, section 311 of the Uruguay Round Trade Agreements Act, and section 1202 of the Internet Tax Freedom Act.

In February 2009, the Committee received the 2009 Subsidies Enforcement Joint Report of the U.S. Trade Representative and the U.S. Department of Commerce. Section 281(f)(4) of the Uruguay Round Agreements Act requires these agencies to submit this report annually to the Congress. The report describes the Administration’s monitoring and enforcement activities throughout the previous year.

In March 2009, the Committee received the *2009 Trade Policy Agenda and the 2008 Annual Report of the President of the United States on the Trade Agreements Program*. Section 163 of the Trade Act of 1974, as amended, and sections 122 and 124 of the Uruguay Round Agreements Act require USTR to submit this report to Congress annually.

C. LEGISLATIVE REVIEW OF HEALTH ISSUES

- A. Children's Health Insurance Program Reauthorization Act of 2009 (P.L. 111-3)
- B. American Recovery and Reinvestment Act of 2009 (P.L. 111-5)
- C. To amend title XVIII of the Social Security Act to delay the date on which the accreditation requirement under the Medicare Program applies to suppliers of durable medical equipment that are pharmacies (P.L. 111-72)
- D. Department of Defense Appropriations Act, 2010 (P.L. 111-118)
 - E. Temporary Extension Act of 2010 (P.L. 111-144)
 - F. Patient Protection and Affordable Care Act (P.L. 111-148)
 - G. Health Care Education and Reconciliation Act of 2010 (P.L. 111-152)
 - H. Continuing Extension Act of 2010 (P.L. 111-157)
 - I. TRICARE Affirmation Act (P.L. 111-159)
- J. To clarify the health care provided by the Secretary of Veterans Affairs constitutes Minimum Essential Coverage (P.L. 111-173)
- K. Preservation of Access to Care for Medicare Beneficiaries and Pension Reform Act of 2010 (P.L. 111-192) (H.R. 3962)
- L. Physician Payment and Therapy Relief Act of 2010 (P.L. 111-286)
- M. Medicare and Medicaid Extenders Act of 2010 (P.L. 111-309)
- N. Omnibus Trade Act of 2010

1. BILLS ENACTED INTO LAW DURING THE 111TH CONGRESS

A. *Children's Health Insurance Program Reauthorization Act of 2009 (P.L. 111-3)*

On February 4, 2009 the "Children's Health Insurance Program Reauthorization Act of 2009" (P.L. 111-3) was signed into law. The bill reauthorized the Children's Health Insurance Program for five years through the end of Fiscal Year 2013. In addition to reauthorization, the bill made several other technical changes and updates to the CHIP program. The bill was primarily paid for with an increase in the Federal excise tax on cigarettes from 39 cents per pack to \$1.01 per pack. These tax provisions are described in the tax section of this report.

B. *American Recovery and Reinvestment Act of 2009 (P.L. 111-5)*

On February 17, 2009 the "American Recovery and Reinvestment Act of 2009" (P.L. 111-5) (ARRA) was signed into law. Among the health-related provisions of ARRA was the enactment of the Health Information Technology for Economic and Clinical Health or (HITECH) Act. The HITECH Act established a program of Medi-

care and Medicaid Incentives to promote the adoption and meaningful use of Health Information Technology. Notably, the HITECH Act: (1) codified the Office of the National Coordinator of Health Information Technology (ONCHIT) within the Department of Health and Human Services (HHS); (2) created the HIT Policy and Standards Committees; (3) created a process for HHS to adopt the recommendations of the Standards and Policy Committees relating to standards and certification criteria for Health Information Technology; (4) authorized HHS to develop and update a qualified electronic health records system and make that system available to providers unless the Secretary determines that the needs and demands of providers are being met by the marketplace; (5) established a process for the Standards Committee to work with the National Institute for Standards and Technology (NIST) to test and certify technology; (6) created grant, loan and demonstration programs to promote early adoption of and build a national infrastructure for, HIT; (7) updated and strengthened privacy laws to ensure secure exchange of information; and (8) set forth a process by which eligible health care professionals and hospitals could demonstrate meaningful use of health information technology and receive financial incentives or penalties through the Medicare and Medicaid programs.

In addition to HITECH, ARRA also created a temporary program of premium assistance for COBRA continuation coverage for eligible individuals and their families. The COBRA program provided individuals and families with a 65 percent subsidy towards the cost of monthly premiums for COBRA continuation coverage for a period of up to nine months. ARRA also made improvements and modifications to the Health Coverage Tax Credit (HCTC), to assist displaced workers described in the Trade Adjustment Assistance (TAA) program and certain Pension Benefit Guarantee Corporation (PBGC) recipients with obtaining health insurance. Notably, ARRA amended the Internal Revenue Code (IRC) to revise the tax credit for the health insurance costs of TAA workers and PBGC recipients for eligible coverage months beginning before January 1, 2011, to: (1) increase the credit from 65% to 80% of health insurance costs, including advance payments; and (2) require one or more retroactive payments of such 80% credit for eligible coverage months beginning prior to commencement of advance payments of the credit.

ARRA also provided \$1.1 billion for Comparative Effectiveness Research to: (1) conduct, support, or synthesize research that compares the clinical outcomes, effectiveness, and appropriateness of items, services, and procedures that are used to prevent, diagnose, or treat diseases, disorders, and other health conditions; and (2) encourage the development and use of clinical registries, clinical data networks, and other forms of electronic health data that can be used to generate or obtain outcomes data. It also established a Federal Coordinating Council for Comparative Effectiveness Research to: (1) assist federal offices and agencies in coordinating the conduct or support of comparative effectiveness and related health services research; and (2) advise the President and Congress on strategies regarding the infrastructure needs of comparative effectiveness research within the federal government, and related matters.

Finally, ARRA delayed the phase-out of the Medicare Hospice budget neutrality factor during fiscal year 2009 and made certain technical corrections to the Medicare long-term care hospital payment system.

C. To amend title XVIII of the Social Security Act to delay the date on which the accreditation requirement under the Medicare Program applies to suppliers of durable medical equipment that are pharmacies (P.L. 111–72)

On October 13, 2009, a bill to amend title XVIII of the Social Security Act to delay the date on which the accreditation requirement under the Medicare Program applies to suppliers of durable medical equipment that are pharmacies (P.L. 111–72) was signed into law. The bill delayed from October 1, 2009, to January 1, 2010, the date on which suppliers of durable medical equipment who are pharmacies would be required to be accredited by an accrediting organization in order to furnish durable medical equipment and related services to Medicare beneficiaries.

D. Department of Defense Appropriations Act, 2010 (P.L. 111–118)

On December 19, 2009 the Department of Defense Appropriations Act, 2010 (P.L. 111–118) was signed into law. The law contained several health-related provisions under the jurisdiction of the Committee on Ways and Means. Specifically, the law amended the American Recovery and Reinvestment Act of 2009 to: (1) extend the job eligibility lost date to February 28, 2010, for temporary health insurance premium assistance under the Consolidated Omnibus Budget Reconciliation Act (COBRA); and (2) extend from 9 to 15 months the temporary COBRA health insurance subsidy for individuals who have lost jobs. In addition, the law amended title XVIII (Medicare) of the Social Security Act to: (1) provide a zero percent update to the sustainable growth rate conversion factor for physician payments for the period of January 1, 2010, through February 28, 2010; (2) state that such update shall have no effect on the computation of such conversion factor for the remainder of 2010 and subsequent years; (3) reduce for FY2014 amounts made available in the Medicare Improvement Fund (MIF); and (4) provide an FY2015 MIF amount.

E. Temporary Extension Act of 2010 (P.L. 111–144)

On March 2, 2010 the “Temporary Extension Act of 2010” was signed into law. The bill made certain technical modifications and enhancements to and extended the eligibility period for the temporary COBRA premium subsidy program originally enacted in ARRA from February 28, 2010 to March 31, 2010. The bill also averted for one month a 21 percent reduction in Medicare physician payments. Finally, the bill extended the Medicare Therapy Caps Exceptions Process from December 31, 2009, to March 31, 2010.

F. Patient Protection and Affordable Care Act (P.L. 111–148)

On March 23, 2010, the “Patient Protection and Affordable Care Act of 2009” was signed into law. The bill was divided thematically into ten titles. Several of its provisions were later amended by the

“Health Care Education and Reconciliation Act of 2010”, which was signed into law on March 30, 2010.

Title I of the bill dealt primarily with the private health insurance market. Subtitle A of Title I made a series of changes to the laws governing individual and group health insurance plans (with the exception of certain grandfathered plans) for plan years beginning after September 23, 2010, and included other provisions with early effective dates. The provisions governing individual and group plans included: (1) prohibiting lifetime and annual limits on coverage, although restricted annual limits are allowed in plan years beginning prior to January 1, 2014; (2) prohibiting rescissions of coverage except in cases of fraud; (3) requiring plans, at a minimum, to cover recommended preventive health services, screenings and immunizations and not charge cost-sharing for such services; (4) requiring plans to allow for the enrollment of dependents up to age 26; (5) requiring the Secretary of Health and Human Services (HHS) to develop standards for health plans (including grandfathered health plans) to provide an accurate summary of benefits and coverage explanation and directing each such health plan, prior to any enrollment restriction, to provide a summary of benefits and coverage explanation to the applicant at the time of application, an enrollee prior to the time of enrollment or re-enrollment, and a policy or certificate holder at the time of issuance of the policy or delivery of the certificate; (6) requiring group health plans to comply with requirements relating to the prohibition against discrimination in favor of highly compensated individuals contained in Section 105(h)(2) of the Internal Revenue Code; (7) requiring the Secretary of HHS to develop reporting requirements for health plans on benefits or reimbursement structures that improve health outcomes, reduce hospital readmissions, improve patient safety, reduce medical errors, and promote wellness and health; (8) requiring a health plan (including a grandfathered health plan) to submit to the Secretary a report concerning the ratio of the incurred loss (or incurred claims) plus the loss adjustment expense (or change in contract reserves) to earned premiums and provide an annual rebate to each enrollee if the ratio of the amount of premium revenue expended by the issuer on reimbursement for clinical services provided to enrollees and activities that improve health care quality to the total amount of premium revenue for the plan year is less than an 85% for large group markets or 80% for small group or individual markets; (9) requiring hospitals to establish and make public a list of its standard charges for items and services; and, (10) requiring health plans to implement an effective process for appeals of coverage determinations and claims.

The law also requires the Secretary to award grants to states for offices of health insurance consumer assistance or health insurance ombudsman programs and directs the Secretary to establish a process for the annual review of unreasonable increases in premiums for health insurance coverage.

Subtitle B of Title I contained provisions which made certain other investments to preserve and expand health coverage. Notably, the law created a temporary high-risk pool to extend coverage to individuals who have not been insured for six months and who have a pre-existing condition. The law also created a re-insurance program to assist some employers in maintaining retiree health

coverage. Both programs are scheduled to end on January 1, 2014. Finally, the law instituted a series of administrative simplification measures for health care transactions and directed the Secretary to establish a mechanism, including an Internet website, through which a resident of, or small business in, any state may identify and compare affordable health insurance coverage options in that state.

Subtitle C of Title I made changes to the laws governing group health plans and health insurance issuers offering individual health insurance coverage beginning on January 1, 2014. These changes included: a prohibition on the ability of a group health plan or health insurance issuer to impose pre-existing condition exclusions; a guarantee that health insurance issuers accept all individuals or employers that apply for coverage; a guarantee that health insurance issuers renew health insurance coverage (at the option of the plan sponsor or individual); a limitation on the ability of health insurance issuers to vary rates such that variation can only occur on the basis of family size, rating area, age (a maximum of 3 to 1 for adults), and tobacco use (a maximum of 1.5 to 1); a prohibition on group health plans and health insurance issuers establishing rules for eligibility on the basis of health status; a requirement that group health plans and health insurance issuers not discriminate with respect to participation against providers acting within the scope of their State license or certification; and a prohibition against waiting periods that exceed 90 days. Subtitle B also includes requirements (not applicable to dental-only plans) that: (1) health insurance issuers offering coverage in the individual and small group markets provide coverage that includes the essential health benefits package under section 1302(c) of the Patient Protection and Affordable Care Act; (2) that any annual cost-sharing imposed by group health plans not exceed the limitations set forth in paragraphs 1 and 2 of section 1302(c); and, (3) health insurance issuers who offer coverage at any level of coverage specified under section 1302(d) (platinum, gold, silver and bronze) also offer at that level in a plan where the only enrollees are under the age of 21.

Further, the law allows individuals to maintain existing coverage. Specifically, the law states that: (1) nothing in PPACA should be construed as requiring individuals to terminate coverage in a plan in which they were enrolled as of March 23, 2010; (2) that the changes to health insurance laws for group health plans described above will not apply to group health plans or health insurance coverage in which an individual was enrolled as of March 23, 2010 (regardless of whether such coverage was renewed after March 23, 2010); (3) if permissible under the terms of the plan in effect as of March 23, 2010 family members of individuals enrolled in existing plans be permitted to enroll in such plans; (4) that group health plans be permitted to enroll new employees in existing plans; (5) that the changes to health insurance laws described above not apply to health insurance coverage maintained pursuant to a collective bargaining agreement until the date on which the last of the collective bargaining agreements relating to the coverage terminates (provided that the agreements were ratified before March 23, 2010); and, (6) coverage amendments to collective bargaining agreements made to comply with the new requirements on

plans described above not be treated as a termination of such collective bargaining agreements. The law also provides that any standards or requirements adopted by a State pursuant to Title I of the Affordable Care Act (or amendments to Title I) be applied uniformly to all plans in each insurance market to which such requirements apply.

Subtitle D of Title I was divided into five parts. The first part contained provisions which established the features of “qualified health plans” that will be offered in state exchanges. Notably, the subtitle set forth requirements related to essential health benefits that all plans must include, processes for changing essential health benefits, requirements related to cost-sharing, definitions relating to what constitutes certain levels of coverage in exchange plans (Platinum, Gold, Silver and Bronze) as well as catastrophic plans and child-only plans. The subtitle also set forth special rules relating to coverage of abortion services and defined terms such as “group market,” “individual market,” “large and small group markets,” “large employer,” and “small employer”.

The second part of Subtitle D set forth rules relating to the establishment, operation and governance of American Health Benefit Exchanges or “Exchanges” for individuals and families and Small Business Health Options Program or “SHOP Exchanges” for qualified small employers to purchase qualified health plans. The subtitle also set forth criteria for the functions of exchanges, the responsibilities of the Secretary of Health and Human Services (HHS) in implementing exchanges, the roles and responsibilities of States, the rules relating to enrollment periods and the certification of qualified health plans as well as the means by which exchanges could operate in multiple states or establish subsidiary exchanges within a particular state and incentives for quality improvement and the applicability of mental health parity laws to qualified health plans. In addition, part two laid out rules regarding the voluntary nature of exchanges, requirements of health insurance issuers to place all enrollees in a single risk pool and rules regarding the financial integrity of exchanges.

The third part of Subtitle D provided further detail regarding state flexibility in the operation and enforcement of exchanges and related requirements. Notably, this subtitle directs the Secretary to set forth standards for the establishment of exchanges and requires States to elect to operate their own exchanges, with Secretarial approval, or to have the Federal government do so in their stead. It also directs the Secretary to establish a Consumer Operated and Oriented Plan (CO-OP) program to foster the creation of qualified non-profit health issuers to offer qualified health plans in the individual and small group markets. In addition the subtitle directs the Secretary to develop and offer a Community Health Insurance Option as an additional option for coverage through state exchanges and prescribes the terms under which such an option can operate. The Community Health Insurance Option would be voluntary for individuals and providers and States may elect to prohibit the Community Health Insurance Option from operating in their exchange.

Finally, this subtitle established a level playing field among different types of public and private health insurance.

Part four of Subtitle D provided State flexibility to establish alternative coverage programs. In particular, part four outlined the requirements for states to establish basic health programs (consisting of at least the essential health benefits package) for low-income individuals who are not eligible for Medicaid. It also set forth a process by which States could apply for a waiver (from the Secretary of HHS) for State innovation for states to manage health coverage programs such as Exchanges and receive pass-through funding from the Federal Government. In order to be granted a waiver, States would need to meet certain conditions set forth by the Secretary, and each State would need to pass a law allowing that state to implement the waiver. It also contained a provision detailing the creation of health care choice compacts—agreements between two or more states under which one or more qualified health plans could be offered in the individual markets in all states involved, but only be subject to the laws and regulations of the State in which the plan was written or issued. Finally, it outlined rules for the treatment of multi-state plans.

Part five of Subtitle D contained provisions relating to reinsurance, risk corridors, and risk adjustment for plans in the individual and small group markets. Specifically, each state is required to establish a reinsurance program under which health insurance issuers and third-party administrators on behalf of group health plans are required to make payments to a reinsurance entity which will then make payments to health insurance issuers that cover high-risk individuals in the individual market for any plan year in the three-year period beginning on January 1, 2014. Additionally, the Secretary is required to administer a program of risk corridors for calendar years 2014–2016 under which qualified health plans offered in the individual and small group market shall participate in a payment adjustment system based on the ratio of the allowable costs of the plan to the plan's aggregate premiums. Under the program, if a plan's costs are more than 103 but less than 108 percent of the target amount, the Secretary will pay the plan 50 percent of the amount above 103 percent and if the plan's costs are more than 108 percent the Secretary will pay the plan 2.5 percent of the target amount plus 80 percent of the costs in excess of 108 percent of the target amount. However, if a plan's costs are less than 97 but not less than 92 percent of the target amount the plan shall pay the Secretary 50 percent of the amount over 97 percent of the target amount and if the plan's costs are less than 92 percent of the target amount, the plan shall pay the Secretary 2.5 percent of the target amount plus 80 percent of the amount above 92 percent of the target amount. Finally, part five of Subtitle D set forth a system of risk adjustment where States will assess a charge on low actuarial risk plans and provide a payment to high actuarial risk plans. The methods and criteria to be used in carrying out risk adjustment activities will be established by the Secretary in consultation with the States and may be similar to the methods used for risk adjustment in Part C or D of Medicare.

Subtitle E of Title I contained provisions relating to premium tax credits and cost-sharing reductions to be used in the purchase of qualified health plans and was divided into two parts. The first part contained provisions relating to individual and family policies and the second related to small business tax credits. For individ-

uals and families, the law provided for a premium assistance tax credit to aid in the purchase of a qualified health plan through an Exchange. Tax credits are available to taxpayers between 100 percent and 400 percent of the federal poverty level (FPL) with credit amounts based upon household income as a percent of FPL. In addition, the law provides for reductions in the maximum limits for out-of-pocket expenses for individuals enrolled in qualified health plans whose incomes are between 100 percent and 400 percent of FPL.

The law required the Secretary to establish a program for verifying the eligibility of applicants for participation in a qualified health plan offered through an Exchange or for a tax credit for premium assistance based upon their income, and citizenship or immigration status. It required an Exchange to submit information received from an applicant to the Secretary for verification of applicant eligibility and provides for confidentiality of applicant information, as well as an appeals and redetermination process for denials of eligibility.

It also required the Secretary to establish a program for advance payments of the tax credit for premium assistance and for reductions of cost-sharing, as well as a system that streamlines eligibility and enrollment for state residents who apply to an Exchange in state health subsidy programs, including Medicaid or the Children's Health Insurance Program (CHIP, formerly known as SCHIP), if such residents are found to be eligible for such programs after screening.

The second part of Subtitle E contained provisions relating to tax credits for small businesses for the provision of health coverage to their employees. Beginning in 2011, qualified small employers are eligible for a tax credit for up to 35 percent of their employee health care coverage expenses. The rate of the credit is increased to up to 50 percent for tax years beginning in 2014. The law defines "qualified small employer" as an employer who has less than 25 full-time equivalent employees with average annual wage levels less than \$40,000. The credit is available to qualified small employers each year from 2010 to 2013 and then only for a 2-year period of consecutive taxable years in which an employer offers coverage to their employees through an exchange and is phased out based on the number of full-time equivalent employees and average wages.

Subtitle F of Title I contained provisions relating to shared responsibility for health care and was divided into two parts. The first part related to individual responsibility and the second related to employer responsibility. Beginning in 2014, individuals are required to maintain minimal essential health care coverage. Minimum coverage is defined to include a series of government-sponsored programs such as Medicare, Medicaid, CHIP, TRICARE, Veterans health care, as well as certain employer sponsored insurance and individual market coverage. The law imposes a tax penalty for failure to maintain such coverage beginning in 2014, except for certain low-income individuals who cannot afford coverage, members of Indian tribes, and individuals who suffer hardship. It also exempts from the coverage requirement individuals who object to health care coverage on religious grounds, individuals not lawfully present in the United States, and individuals who are incarcerated.

Finally, the law requires providers of minimum essential coverage to file informational returns providing identifying information of covered individuals and the dates of coverage and requires the IRS to send a notice to taxpayers who are not enrolled in minimum essential coverage about services available through the Exchange operating in their state.

In addition to provisions relating to shared responsibility for individuals, the subtitle contained provisions relating to shared responsibility for employers. Employers with more than 200 full-time employees are required to automatically enroll new employees in a health care plan and provide notice of the opportunity to opt-out of such coverage. Employers must also provide notice to employees about Exchanges, the availability of tax credits for premium assistance, and the loss of an employer's contribution to an employer-provided health benefit plan if the employee purchases a plan through an Exchange. Finally, employers with at least 50 full-time equivalent (FTE) employees (referred to as "applicable large employers") who fail to offer their FTE employees the opportunity to enroll in minimum essential coverage (and have an employee who enrolls in a qualified health plan and receives a tax credit) will be assessed a tax penalty for each month that they do not offer such coverage that is equal to $\frac{1}{12}$ of \$750. In the case of an applicable large employer that offers its FTE employees coverage, there is a tax penalty for each month that an employee declines the offered coverage and enrolls in a qualified health plan and receives a tax credit. The monthly penalty is equal to $\frac{1}{12}$ of \$3,000 for each employee who declines the employer-offered coverage and receives qualified health plan coverage with a tax credit.

The subtitle also requires large employers to file a report with the Secretary of the Treasury on health insurance coverage provided to their full-time employees. The report is required to contain: (1) a certification as to whether such employers provide their full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan; (2) the length of any waiting period for such coverage; (3) the months during which such coverage was available; (4) the monthly premium for the lowest cost option in each of the enrollment categories under the plan; (5) the employer's share of the total allowed costs of benefits provided under the plan; and (6) identifying information about the employer and full-time employees. It also imposes a penalty on employers who fail to provide such report and allows certain small employers to include as a benefit in a tax-exempt cafeteria plan a qualified health plan offered through an Exchange.

Subtitle G of Title I contained a series of miscellaneous provisions. Specifically, provisions in Subtitle G stated that unless otherwise specified the definitions contained in Section 2791 of the Public Health Service Act shall apply to Title I of PPACA; required the Secretary to post online a list of authorities provided to the Secretary under PPACA; prohibited discrimination by Federal and State governments and recipients of federal funds under PPACA against any individual or health care entity that does not provide health care services for the purpose of assisted suicide and prohibited the Secretary from promulgating regulations that place certain restrictions on access to medical therapies. Other provisions in this

subtitle provided that individuals, businesses, insurers and others are not required to participate in any federal health care program or federal health insurance program and that insurers cannot be fined for not participating in such programs; prohibited discrimination by any federal health program or activity on the grounds of race, color, national origin, sex, age, or disability; granted the Inspector General of HHS oversight authority over the implementation and administration of Title I of PPACA for activities related to HHS; amended the PHSA to designate new health information technology enrollment standards and protocols and made conforming and technical amendments to existing laws, such as the PHSA, which were amended by PPACA.

Title II of PPACA contained provisions relating to current public programs, namely Medicaid and CHIP, which are not under the jurisdiction of the Ways and Means Committee.

Title III of PPACA contained provisions designed to improve the quality and efficiency of health care. Title III was divided the thematically into multiple subtitles. Subtitle A contained provisions designed to transform the health care delivery system. Specifically, the Subtitle created a value-based purchasing program for hospitals in Medicare; extended (for four years) and made adjustments to the Medicare Physician Quality Reporting System; made adjustments to the Physician Feedback program in Medicare, made changes to the quality reporting requirements for Long-Term Care Hospitals, Inpatient Rehabilitation Facilities, Hospice programs, and PPS-exempt Cancer Hospitals; directed the Secretary to develop a plan to implement a value-based purchasing program for Skilled Nursing Facilities and Home Health Agencies and implement a value-based payment modifier in the physician fee schedule and directed the Secretary to provide for payment adjustments for inpatient hospitals that are found to be in the top quartile of hospitals with respect to Hospital Acquired Conditions.

In addition, provisions in this subtitle provided for the creation of a Center for Medicare and Medicaid Innovation within the Centers for Medicare and Medicaid Services to test innovative payment and service delivery models to reduce program expenditures while preserving or enhancing the quality of care furnished to individuals. The law appropriates \$10 billion to the center for FY2011–FY2019 to test innovative payment models. The Subtitle also contained provisions that: established a Medicare shared savings program whereby groups of providers and suppliers would work together in Accountable Care Organizations to manage and coordinate care for Medicare fee-for-service beneficiaries; created a national pilot program for payment bundling; directed the Secretary to conduct a demonstration program (known as the Independence at Home Medicare Demonstration) to test a payment incentive and service delivery model that utilizes physician and nurse practitioner directed home-based primary care teams designed to reduce expenditures and improve health outcomes; directed the Secretary to create a program to reduce preventable hospital readmissions and extended a gain sharing demonstration project that was originally authorized in the Deficit Reduction Act of 2005 (P.L. 109–171).

Subtitle B of Title III contained provisions designed to make improvements to the Medicare program. Specifically, provisions in

Subtitle B provided for a 0.5 percent update in Medicare physician payments for 2010, extended until January 1, 2011 the floor for the work portion of the geographic practice cost index and made adjustments to the practice expense portion of the geographic adjustment cost index under the Medicare physician fee schedule, extended until December 31, 2010, the exceptions process for Medicare Therapy Caps, extended through 2010 the payment for the technical component of certain physician pathology services, extended until January 1, 2011, certain payment adjustments for ambulances in Medicare, extended (for one year) certain payment rules for Long-Term Care Hospitals and the moratorium on the establishment of certain hospitals and facilities created as part of the Medicare, Medicaid, and SCHIP Extension Act of 2007, and extended until December 31, 2010, the mental health services add-on in the Medicare physician fee schedule. In addition, provisions in this subtitle: provided the authority for a physician assistant who does not have an employment relationship with a SNF, but who is working in collaboration with a physician, to certify the need for post-hospital extended care services for Medicare payment purposes; exempted certain pharmacies from accreditation requirements until the Secretary develops pharmacy-specific standards; created a 12-month special enrollment period for Medicare Part B for disabled TRICARE beneficiaries; made adjustments for 2010 and 2011 to the Medicare payment rates for bone density tests; eliminated the funds in the Medicare Improvement Fund in FY2014; directed the Secretary to conduct a demonstration project under Medicare Part B to make separate payments for complex diagnostic laboratory tests provided to individuals, and as of January 1, 2011, increased from 65 percent to 100 percent of the physician fee schedule payment amount the amount provided to a certified nurse midwife for the same service performed by a physician under the fee schedule.

In addition to the above improvements, Subtitle B contained a series of provisions intended to improve care in rural communities. Specifically, the Subtitle contained extension of: (1) the Outpatient Hold Harmless provision (through January 1, 2011); (2) Medicare reasonable cost payments for certain clinical diagnostic laboratory tests furnished to hospital patients in rural areas (through July 1, 2011); (3) the rural community hospital demonstration program; and (4) the Medicare Dependent Hospital (MDH) program (through FY2012). Subtitle B also modified the Medicare inpatient hospital payment adjustment for low-volume hospitals for FY2011–FY2012, revised requirements for the Demonstration Project on Community Health Integration Models in Certain Rural Counties to allow additional counties as well as physicians to participate, directed MedPAC to study the adequacy of payments for health care providers serving in rural areas, extended the Medicare rural hospital flexibility program through FY 2012, and made technical corrections to allow a critical access hospital in Medicare to continue to be eligible to receive 101 percent of reasonable costs for (1) providing outpatient care regardless of the eligible billing method such hospital uses and (2) qualifying ambulance services.

Finally, Subtitle B of Title III contained provisions designed to improve payment accuracy in fee-for-service Medicare. Specifically, provisions in this subtitle: (1) required the Secretary to rebase home health payments by an appropriate percentage, to reflect,

among other things, the number, mix, and level of intensity of home health services in an episode and the average cost of providing care; (2) directed the Secretary to study and report to Congress on home health agency costs involved with providing ongoing access to care for low-income Medicare beneficiaries or beneficiaries in medically underserved areas, and in treating beneficiaries with varying levels of severity of illness; (3) required the Secretary, by January 1, 2011, to begin collecting additional data and information needed to revise payments for hospice care and directed the Secretary to implement by regulation, not earlier than October 1, 2013, budget neutral revisions to the methodology for determining hospice payments for routine home care and other services, which may include per diem payments reflecting changes in resource intensity in providing such care and services during the course of an entire episode of hospice care; (4) required the Secretary to impose new requirements on hospice providers participating in Medicare, including requirements for a hospice physician or nurse practitioner to have a face-to-face encounter with the individual regarding eligibility and recertification and a medical review of any stays exceeding 180 days, where the number of such cases at a hospice agency exceeds a specified percentage of them for all hospice programs; (5) specified reductions to Medicare Disproportionate Share Hospital (DSH) payments for FY2015 and ensuing fiscal years, to reflect lower uncompensated care costs relative to increases in the number of insured; (6) directed the Secretary to periodically identify physician services as being potentially misvalued and make appropriate adjustments to the relative values of such services under the Medicare physician fee schedule; (7) codified an increase in the presumed utilization rate for calculating the payment for advanced imaging equipment other than low-tech imaging such as ultrasound, X-rays and EKGs and increased the technical component payment “discount” for sequential imaging services performed on contiguous body parts during the same visit; (8) restricted the lump-sum payment option for new or replacement wheelchairs to the complex, rehabilitative power-driven wheelchairs only, eliminated the lump-sum payment option for all other power-driven wheelchairs and made the rental payment for power-driven wheelchairs 15 percent of the purchase price for each of the first three months (instead of 10 percent), and 6 percent of the purchase price for each of the remaining 10 months of the rental period (instead of 7.5 percent); (9) extended the “Section 508” hospital reclassifications through September 30, 2010; (10) directed the Secretary to determine if the outpatient costs incurred by PPS-exempt cancer hospitals, including those for drugs and biologicals, exceed those costs incurred by other hospitals reimbursed under the outpatient prospective payment system (OPPS) and if so, to provide for an appropriate OPPS adjustment to reflect such higher costs for services furnished on or after January 1, 2011; (11) allowed a biosimilar biological product to be reimbursed at 6 percent of the average sales price of the brand biological product in Medicare; (12) directed the Secretary to establish a Medicare Hospice Concurrent Care demonstration program under which Medicare beneficiaries are furnished, during the same period, hospice care and any other Medicare items or services from Medicare funds otherwise paid to such hospice programs; (13) required application of the budget neutrality

requirement associated with the effect of the imputed rural floor on the area wage index under the Balanced Budget Act of 1997 through a uniform national adjustment to the area hospital wage index floor rather than an adjustment to each specific state; (14) directed the Secretary to study and report to Congress on the need for an additional payment for urban Medicare-dependent hospitals for inpatient hospital services under Medicare; and (15) guaranteed that nothing in the PPACA shall result in the reduction of guaranteed home health benefits under the Medicare program.

Subtitle C of Title III contained provisions that made changes to Part C of the Medicare program, also known as Medicare Advantage (MA). Specifically, provisions in this subtitle: changed the MA benchmark to base it on the average of the bids from MA plans in each market; revised the formula for calculating the annual Medicare+Choice capitation rate to reduce the national MA per capita Medicare+Choice growth percentage used to increase benchmarks in 2011; increased the monthly MA plan rebates from 75 percent to 100 percent of the average per-capita savings in 2014; required that bid information which MA plans are required to submit to the Secretary be certified by a member of the American Academy of Actuaries and meet actuarial guidelines and rules established by the Secretary; directed the Secretary, acting through the CMS Chief Actuary, to establish actuarial guidelines for the submission of bid information and bidding rules that are appropriate to ensure accurate bids and fair competition among MA plans; directed the Secretary to (1) establish new MA payment areas for urban areas based on the Core Based Statistical Area and (2) make monthly care coordination and management performance bonus payments, quality performance bonus payments, and quality bonuses for new and low enrollment MA plans to MA plans that meet certain criteria; directed the Secretary to provide transitional rebates for the provision of extra benefits to enrollees; prohibited MA plans from charging beneficiaries cost-sharing for chemotherapy administration services, renal dialysis services, or skilled nursing care that is greater than what is charged under the traditional fee-for-service program; required MA plans to apply the full amount of rebates, bonuses, and supplemental premiums according to the following order (1) reduction of cost sharing, (2) coverage of preventive care and wellness benefits, and (3) other benefits not covered under the original Medicare fee-for-service program; required the Secretary to analyze the differences in coding patterns between MA and the original Medicare fee-for-service programs and authorized the Secretary to incorporate the results of the analysis into risk scores for 2014 and subsequent years; and allowed beneficiaries to disenroll from an MA plan and return to the traditional Medicare fee-for-service program from January 1 to March 15 of each year and revised requirements for annual beneficiary election periods.

In addition, provisions in Subtitle C: extended special needs plan (SNP) authority through December 31, 2013; authorized the Secretary to establish a frailty payment adjustment under PACE payment rules for fully-integrated, dual-eligible SNPs; extended authority through CY2012 for SNPs that do not have contracts with state Medicaid programs to continue to operate, but not to expand their service areas; directed the Secretary to require an MA organi-

zation offering a specialized MA plan for special needs individuals to be approved by the National Committee for Quality Assurance; and required the Secretary to use a risk score reflecting the known underlying risk profile and chronic health status of similar individuals, instead of the default risk score, for new enrollees in MA plans that are not specialized MA SNPs. The bill also: extended through calendar 2012 the length of time reasonable cost plans may continue operating regardless of any other MA plans serving the area; created a new type of MA plan called an MA Senior Housing Facility Plan, which would be allowed to limit its service area to a senior housing facility (continuing care retirement community) within a geographic area; declared that the Secretary is not required to accept any or every bid submitted by an MA plan or Medicare Part D prescription drug plan that proposes to increase significantly any beneficiary cost sharing or decrease benefits offered and directed the Secretary to request the National Association of Insurance Commissioners (NAIC) to develop new standards for certain Medigap plans.

Subtitle D of Title III contained provisions that made improvements to Medicare Part D prescription Drug Plans and MA-PD plans. Specifically, provisions in this subtitle amended the Medicare statute Part D (Voluntary Prescription Drug Benefit Program) to create conditions for the availability of coverage for Part D drugs. The law requires pharmaceutical manufacturers to participate in the Medicare coverage gap discount program and directs the Secretary to establish such a program. The discount program would apply to Medicare beneficiaries who enroll in Part D, do not qualify for the low-income subsidy, are not enrolled in an employer-sponsored retiree plan, and do not have annual income that exceeds the Part B income thresholds. Beginning July 1, 2010, eligible beneficiaries would automatically receive a 50 percent discount off the negotiated price for brand name drugs that are covered under Part D.

The law also: excludes MA rebate amounts and quality bonus payments from calculation of the regional low-income subsidy benchmark premium for MA monthly prescription drug beneficiaries; directs the Secretary to permit a prescription drug plan or an MA-PD plan to waive the monthly beneficiary premium for a subsidy eligible individual if the amount of such premium is *de minimis* and provides that if such premium is waived, the Secretary shall not reassign subsidy eligible individuals enrolled in the plan to other plans based on the fact that the monthly beneficiary premium under the plan was greater than the low-income benchmark premium amount and authorizes the Secretary to auto-enroll subsidy eligible individuals in plans that waive *de minimis* premiums; sets forth a special rule for widows and widowers regarding eligibility for low-income assistance that allows the surviving spouse of an eligible couple to delay redetermination of eligibility for one year after the death of a spouse; directs the Secretary (in the case of a subsidy eligible individual enrolled in one prescription drug plan but subsequently reassigned by the Secretary to a new prescription drug plan) to provide the individual with (1) information on formulary differences between the individual's former plan and the new plan with respect to the individual's drug regimens and (2) a description of the individual's right to request a coverage

determination, exception, or reconsideration, bring an appeal, or resolve a grievance; amended the Medicare Improvements for Patients and Providers Act (MIPPA) to provide additional funding for FY2010–FY2012 for outreach and education activities related to specified Medicare low-income assistance programs; authorized the Secretary to identify classes of clinical concern through rulemaking (in order to improve formulary requirements for such classes), including anticonvulsants, antidepressants, antineoplastics, antipsychotics, antiretrovirals, and immunosuppressants for the treatment of transplant rejection and required PDP sponsors to include all drugs in these classes in their formularies; required Part D enrollees who exceed certain income thresholds to pay higher premiums (similar to those premiums paid by higher income Part B enrollees); revised the current authority of the IRS to disclose income information to the Social Security Administration for purposes of adjusting the Part B subsidy; eliminated cost-sharing for certain dual eligible individuals receiving care under a home and community-based waiver program (in Medicaid) who would otherwise require institutional care; directed the Secretary to require sponsors of prescription drug plans to utilize specific, uniform techniques for dispensing covered Part D drugs to enrollees who reside in a long-term care facility in order to reduce waste associated with 30-day refills; directed the Secretary to develop and maintain an easy to use complaint system to collect and maintain information on MA–PD plan and prescription drug complaints received by the Secretary until the complaint is resolved; require a prescription drug plan sponsor to (1) use a single, uniform exceptions and appeals process for determination of a plan enrollee’s prescription drug coverage, and (2) provide instant access to this process through a toll-free telephone number and an Internet website; required the HHS Inspector General to study and report to Congress on (1) the inclusion in formularies of drugs commonly used by dual-eligibles, and (2) prescription drug prices under Medicare part D and Medicaid; allows the costs incurred by AIDS drug assistance programs and by IHS in providing prescription drugs to count toward the annual out-of-pocket threshold and increases by \$500 the 2010 standard initial coverage limit (thus decreasing the time that a part D enrollee would be in the coverage gap).

Subtitle E of Title III contained provisions designed to ensure payment accuracy and improve Medicare’s sustainability. Specifically, provisions in this subtitle: revised certain market basket updates and incorporated a full productivity adjustment into any updates that do not already incorporate such adjustments, including inpatient hospitals, home health providers, nursing homes, hospice providers, inpatient psychiatric facilities, long-term care hospitals, inpatient rehabilitation facilities, and Part B providers; established a quality measure reporting program for psychiatric hospitals beginning in FY2014; and, revised requirements for reduction of the Medicare Part B premium subsidy based on income (current 2010 income thresholds for the income-related premium are held constant for the period of 2011 through 2019).

Subtitle E also established an Independent Payment Advisory Board to develop and submit detailed proposals to reduce the per capita rate of growth in Medicare spending to the President for Congress to consider. Subtitle E also established an Independent

Payment Advisory Board to develop and submit detailed proposals to reduce the per capita rate of growth in Medicare spending to the President for Congress to consider. The law: (1) directs the Chief Actuary to undertake a determination process by which the Chief Actuary establishes whether the projected per capita Medicare expenditure growth rate will exceed a target level growth rate; (2) if the Chief Actuary determines the growth target was exceeded, directs the Board to develop a detailed proposal to reduce the growth rate by an applicable savings target; (3) sets forth a schedule for the Chief Actuary's determination and Board development and submission of proposals to Congress; and (4) if the Board is required to develop a proposal but fails to transmit its proposal to Congress by the required date, requires the Secretary to develop a proposal that meets the applicable savings target and transmit it to Congress and the President, with a copy to the Medicare Payment Advisory Commission by a set date. The Board's proposal will be automatically implemented during the next payment year unless legislation is enacted to alter the proposal. The scope of the Board's proposals are limited to the Medicare program but may not include any action to ration care, raise revenues or Medicare beneficiary premiums, increase cost-sharing, restrict benefits, or alter eligibility. Prior to December 31, 2019, proposals may not reduce payments to providers or suppliers scheduled to receive a reduction in payment in excess of the productivity adjustments under § 3401. Finally, in addition to Board proposals to control costs and the Board's annual public report, the Board will, beginning no later than January 15, 2015, and every two years thereafter, submit to Congress and the President recommendations designed to slow the growth in national health expenditures (excluding expenditures under this title and in other Federal health care programs) while preserving or enhancing quality of care.

Subtitle F of Title III contained a series of provisions designed to improve health care quality. For the most part they amended the Public Health Service Act, a law which does not fall under the jurisdiction of the Committee on Ways and Means.

Subtitle G of Title III contained provisions designed to protect and improve the benefits guaranteed to Medicare beneficiaries. Specifically, provisions in this Subtitle provided that nothing in PPACA shall result in a reduction of guaranteed benefits under the Medicare program and that savings generated for the Medicare program under PPACA shall extend the solvency of the Medicare trust funds, reduce Medicare premiums and other cost-sharing for beneficiaries, and improve or expand guaranteed Medicare benefits and protect access to Medicare providers. Additional provisions stated that nothing in PPACA shall result in the reduction or elimination of any benefits guaranteed by law to participants in MA plans.

Title IV of PPACA contained provisions relating to disease prevention and public health. The majority of these provisions amended the Public Health Service Act (PHSA) and are not the jurisdiction of the Ways and Means Committee. However, there were three provisions in Title IV that amended Title XVIII of the SSA to improve preventive services benefits in Medicare. Section 4103 provided for Medicare coverage for an Annual Wellness Visit and personalized prevention plan and eliminated cost-sharing for such

services. Section 4104 eliminated cost-sharing in Medicare for preventive services recommended by the U.S. Preventive Services Task Force (USPSTF). Section 4105 authorized the Secretary of HHS to modify the coverage of preventive services in Medicare to be consistent with the recommendations of the USPSTF.

Title V of PPACA contained provisions relating to improvements in the health care workforce. The majority of these provisions amended programs authorized in the PHSA which are not under the jurisdiction of the Ways and Means Committee. However, Subtitle F of Title V contained provisions that amended Title XVIII of the SSA to strengthen primary care services and make other workforce improvements within the Medicare program. Specifically, the subtitle created a 5-year incentive payment program (beginning in 2011) to provide a 10 percent bonus payment to Medicare providers who provide primary care services as well as those who furnish major surgical procedures in Health Professional Shortage Areas. In addition, the subtitle expanded Medicare-covered preventive services at Federally Qualified Health Centers (FQHCs) and created a prospective payment system for FQHCs. The subtitle also contained provisions which provided processes for the distribution of additional residency slots as well as new rules concerning the ability of hospitals to count resident time spent in non-provider settings and didactic and scholarly activities for the purposes of Graduate Medical Education and Indirect Medical Education payments. It also contained provisions to preserve resident cap positions from closed hospitals and create a graduate nurse education demonstration program within Medicare.

Title VI of PPACA contained provisions relating to transparency and program integrity. The title was divided into thematic subtitles that addressed different issues relating to transparency and program integrity. Subtitle A contained provisions that placed limits on the Medicare exception on certain physician referrals for hospitals; required drug, device, and biological and medical supply manufacturers to report to the Secretary transfers of value made to a physician, physician medical practice, a physician group practice, and/or teaching hospital, as well as information on any physician ownership or investment interest in the manufacturer (and created penalties for noncompliance with reporting); required that Medicare physicians inform their patients in writing of the opportunity to obtain an imaging service from a person other than the referring physician or someone who is a member of the same group practice or is supervised by a physician in that practice and provide a list of other potential suppliers to the patient; required prescription drug manufacturers and authorized distributors of record to report to the Secretary specified information pertaining to drug samples; and required pharmacy benefit managers (PBMs) under contract with Medicare or an Exchange health plan to disclose to the Secretary information regarding the generic dispensing rate, the rebates, discounts, or price concessions negotiated by the PBM, and the payment difference between health plans and PBMs and the PBMs and pharmacies.

Subtitles B and C of Title VI contained provisions relating to improved transparency for nursing homes under Title XVIII and XIX of the Social Security Act. Specifically, provisions in this subtitle required disclosure of certain ownership interests in Skilled Nurs-

ing Facilities; required that nursing facilities operate compliance and ethics programs; required that the Secretary publish additional information on the federal Nursing Home Compare website relating to staffing data, survey and certification program information, model complaint forms, summaries of substantiated complaints, and the number of adjudicated instances of criminal violations by an employee; required SNFs to report on wages and benefits for direct care staff; required the Secretary to develop a standardized complaint form and States to establish a complaint resolution process; required the Secretary to develop a program for facilities to report direct care staffing information on payroll and other verifiable and auditable data in a uniform format and required the Comptroller General to study and report to Congress on the Five-Star Quality Rating System for nursing homes of CMS.

In addition, provisions in this subtitle provided authority for the Secretary to reduce civil monetary penalties for certain SNFs that self-report and correct deficiencies quickly; directed the Secretary to establish a demonstration program to develop a national independent monitoring program to oversee intrastate and large interstate chains of nursing facilities; required that administrators of SNFs that are preparing to close notify residents or their representatives in writing at least 60 days in advance and to provide a plan for relocation; required the Secretary to conduct SNF based demonstration projects to develop best practice models; required SNFs to include dementia and abuse prevention training as part of pre-employment initial training and, if appropriate, ongoing in-service training and required that the Secretary establish a nationwide program for national and state background checks on prospective direct patient access employees of long-term care facilities and providers.

Subtitle D of Title VI contained provisions relating to Patient-Centered Outcomes Research. The subtitle amends SSA title XI to establish a non-profit, non-governmental institute called the Patient-Centered Outcomes Research Institute to identify priorities for, and establish, update, and carry out, a national comparative outcomes research project agenda. It also provides for a peer review process for primary research. In addition, it amends the Public Health Service Act to direct the Office of Communication and Knowledge Transfer at AHRQ to disseminate broadly the research findings published by the Institute and other government-funded research relevant to comparative clinical effectiveness research. It prohibits the Secretary from using evidence and findings from Institute research to make a determination regarding Medicare coverage unless such use is through an iterative and transparent process which includes public comment and considers the effect on subpopulations. It amends the Internal Revenue Code to establish in the Treasury the Patient-Centered Outcomes Research Trust Fund (PCORTF) and directs the Secretary to make annual transfers to that Trust Fund from the Medicare Trust Funds in proportion to the number of individuals entitled to benefits under Part A or enrolled under Part B of Medicare. It also imposes annual fees of \$2 per insured life on specified health insurance policies and on self-insured health plans and deposits such fees in the PCORTF. Finally, the subtitle terminates the Federal Coordinating Council for

Comparative Effectiveness Research that was created in the American Recovery and Reinvestment Act (ARRA).

Subtitle E of Title VI contained a series of Medicare, Medicaid and CHIP program integrity provisions. Specifically, these provisions provided new screening, enrollment, and disclosure and oversight procedures for Medicare, Medicaid and CHIP providers; authorized the Secretary to deny enrollment in a program if these affiliations pose an undue risk to it and required providers and suppliers to establish a compliance program.

In addition to new provider screening and enrollment procedures, the law directs CMS to place certain data in the integrated data repository including claims and payment data from Medicare, Medicaid, CHIP, and health-related programs administered by the Departments of Veterans Affairs (VA) and the Department of Defense (DOD), the Social Security Administration, and IHS. The Secretary is also directed to enter into data-sharing agreements with the Commissioner of Social Security, the VA and DOD Secretaries, and the IHS Director to help identify fraud, waste, and abuse. The law also requires that overpayments be reported and returned within 60 days from the date the overpayment was identified or by the date a corresponding cost report was due, whichever is later; directs the Secretary to issue a regulation requiring all Medicare, Medicaid, and CHIP providers to include their National Provider Identifier on enrollment applications; authorizes the Secretary to exclude providers and suppliers from participation in any federal health care program for providing false information on any application to enroll or participate; subjects to civil monetary penalties excluded individuals who (1) order or prescribe an item or service; (2) make false statements on applications or contracts to participate in a federal health care program; or (3) know of an overpayment and do not return it; authorizes the Secretary to issue subpoenas and require the attendance and testimony of witnesses and the production of any other evidence that relates to matters under investigation or in question; requires the Secretary take into account the volume of billing for a durable medical equipment (DME) supplier or home health agency when determining the size of the supplier's and agency's surety bond.

The law also authorizes the Secretary to require other providers and suppliers to post a surety bond if the Secretary considers them to be at risk and to suspend payments to a provider or supplier pending a fraud investigation. It appropriates an additional \$10 million, adjusted for inflation, to the Health Care Fraud and Abuse Control each year from FY2011–FY2020. It requires the Secretary to furnish the National Practitioner Data Bank (NPDB) with all information reported to the national health care fraud and abuse data collection program on certain final adverse actions taken against health care providers, suppliers, and practitioners. It also requires the Secretary to establish a process to terminate the Healthcare Integrity and Protection Databank (HIPDB) and ensure that the information formerly collected in it is transferred to the NPDB; reduces from three years to one year after the date of service the maximum period for submission of Medicare claims; requires DME or home health services to be ordered by an enrolled Medicare eligible professional or physician and authorizes the Secretary to extend these requirements to other Medicare items and

services to reduce fraud, waste, and abuse. It authorizes the Secretary to disenroll, for up to one year, a Medicare enrolled physician or supplier that fails to maintain and provide access to written orders or requests for payment for DME, certification for home health services, or referrals for other items and services and to exclude from participation in any federal health care program any individual or entity ordering, referring for furnishing, or certifying the need for an item or service that fails to provide adequate documentation to verify payment. It requires a physician, nurse practitioner, clinical nurse specialist, certified nurse-midwife, or physician assistant to have a face-to-face encounter with an individual before issuing a certification for home health services or DME and authorizes the Secretary to apply the same face-to-face encounter requirement to other items and services based upon a finding that doing so would reduce the risk of fraud, waste, and abuse. It revises civil monetary penalties for making false statements or delaying inspections and applies specified enhanced sanctions and civil monetary penalties to MA or Part D plans that: (1) enroll individuals in an MA or Part D plan without their consent; (2) transfer an individual from one plan to another for the purpose of earning a commission; (3) fail to comply with marketing requirements and CMS guidance; or (4) employ or contract with an individual or entity that commits a violation. The law also requires the Secretary to establish a self-referral disclosure protocol to enable health care providers and suppliers to disclose actual or potential violations of the physician self-referral law.

Finally, the law requires the Secretary to: (1) expand the number of areas to be included in round two of the DMEPOS competitive bidding program from 79 to 100 of the largest metropolitan statistical areas and (2) use competitively bid prices in all areas by 2016. It requires states to establish contracts with one or more Recovery Audit Contractors (RACs), which shall identify underpayments and overpayments and recoup overpayments made for services provided under state Medicaid plans as well as state plan waivers and requires the Secretary to expand the RAC program to Medicare Parts C (Medicare+Choice) and D (Prescription Drug Program).

Title VII of PPACA contained provisions relating to improving access to innovative medical therapies. Specifically, the title contained provisions that created an approval pathway for biosimilar biological products and made changes to the 340B drug discount program. These provisions are not under the jurisdiction of the Committee on Ways and Means.

Title IX contained revenue offset provisions. These provisions are described in the Tax sections of this report.

Title X of PPACA was added as an amendment during debate in the Senate. The title contained provisions which modified a number of provisions in each of the first nine titles of the bill. The amendments to Title I included amendments to rules regarding lifetime and annual limits for group health plans and health insurance issuers offering individual coverage; rules prohibiting discrimination in favor of highly compensated individuals; rules pertaining to allowable medical loss ratio (MLRs) for certain plans, corresponding rebates to beneficiaries for failure to meet such ratios and new internal, and external appeals processes created in Title I. The amendments also added certain new patient protections re-

lating to choice of provider, coverage of emergency services, access to pediatric care, and access to obstetrical and gynecological care. The amendments also added certain coverage requirements for plans to allow beneficiaries to participate in clinical trials.

Title I was further amended to change references to CO-OP plans, allow for qualified health plans to provide coverage through a medical home, allow for premium variation based on rating area, set base payment levels to FQHC's providing services to beneficiaries enrolled in exchange plans, specify rules relating to abortion coverage in qualified health plans, provide for the creation and oversight of multi-state plans to operate in each state exchanges, increase the wage phase out and accelerate the availability of the Small Business Tax Credit for health insurance expenses, provide for the Secretary to study geographic variability in application of the Federal Poverty Level (FPL) as it would be used in the administration of premium, cost sharing and small business tax credits, modify the individual responsibility requirement, modify rules relating to religious conscience exemptions, and modify rules relating to large employers with excessive waiting periods.

In addition, amendments in title X created "free choice vouchers" that are available to employees whose required contribution to their employer sponsored plan is between 8.0 and 9.8 percent of income. The voucher would consist of the employer contribution to the eligible employer sponsored plan and a Health Insurance Exchange would be required to credit the amount of any free choice voucher paid by an employer to the monthly premium of any qualified health plan in which the employee is enrolled. The amount of any free choice voucher is excludable from the gross income of the employee and the law permits a deduction by employers for such costs.

Finally, the amendments in Title X made further changes to Title I provisions related to administrative simplification to require the HHS Secretary to seek input to determine if there could be greater uniformity in financial and administrative health care activities and items and to (1) task the ICD-9-CM Coordination and Maintenance Committee to convene a meeting to receive input regarding and recommend revisions to the crosswalk between the Ninth and Tenth Revisions of the International Classification of Diseases; and (2) make appropriate revisions to such crosswalk.

Title X also made a series of amendments and additions to provisions in Title III of the bill. These provisions included: a requirement that the Secretary develop plans for a value-based purchasing program for Ambulatory Surgical Centers; modifications to the rules regarding testing of innovative payment models within the Center for Medicare and Medicaid Innovation; modifications to the Medicare shared savings program; revisions to the national pilot program on payment bundling; revisions to the hospital readmission reductions program; repeal of the 0.5% update to the physician fee schedule for 2010; revisions to the rural community hospital demonstration program; revisions to the extension of Ambulance add-ons; revisions to the payment rules for Long-Term Care Hospital services and the moratorium on the establishment of certain hospitals and facilities; revisions to provisions relating to low-volume hospitals; revisions to home health provisions including a revision of the Secretary's report on the development of home health

payment revisions in order to ensure access to care and payment for severity of illness; revisions to provisions affecting Medicare Disproportionate Share Hospital payments; revisions to the extension of Section 508 hospital reclassification provisions; revisions to provisions affecting transitional extra benefits under Medicare Advantage; revisions to the provisions affecting the market basket adjustments for certain fee-for-service providers; an expansion in the scope of the Independent Payment Advisory Board; revisions to the new quality reporting requirements for Psychiatric Hospitals in Medicare; a new requirement providing Medicare coverage to individuals exposed to certain environmental health hazards; the creation of a floor on the Area Wage Index for Hospitals in certain frontier states; a temporary delay of the RUG–IV payment system for Skilled Nursing Facilities until at least October 1, 2011; a requirement that the Secretary conduct pilot tests of pay-for-performance programs for certain Medicare providers including psychiatric Hospitals, Long-Term Care Hospitals, Inpatient Rehabilitation Facilities, PPS-exempt cancer hospitals and hospice programs; additional incentive payments under the physician quality reporting system in 2011 through 2014 to eligible professionals who report quality measures to CMS via a qualified Maintenance of Certification program; an elimination of the Medicare Advantage Regional Plan Stabilization Fund; a requirement that Medicare Part D prescription drug plans include a comprehensive review of medications as part of their medication therapy management programs; a requirement that the Secretary develop a methodology to measure health plan value; a requirement that the Secretary develop a plan to modernize CMS computer and data systems; a requirement that the Secretary develop a Physician Compare website with information on physicians enrolled in the Medicare program and other eligible professionals who participate in the Physician Quality Reporting Initiative; and implement a plan to make information on physician performance public through Physician Compare, particularly quality and patient experience measures; a requirement that the Secretary make available to qualified entities standardized extracts of Medicare claims data for the evaluation of the performance of service providers and suppliers; and a GAO study on Medicare beneficiary access to high-quality dialysis services.

Lastly, provisions in Title X made a few small changes to provisions in Titles IV and VI that fall under the jurisdiction of the Committee on Ways and Means. These changes included: modifications to ensure the waiver of coinsurance for preventive services in Medicare in all provider settings; modifications to the effective date of the limitation on the Medicare exception to the prohibition on certain physician referrals for hospitals; clarifications regarding the secondary use of research data produced by Patient Centered Outcomes Research Institute; elimination of provisions relating to fees that would be paid by providers applying to be part of the Medicare program; and modifications to provisions that require a face to face encounter with a physician for the ordering of home health services in Medicare such that a face-to-face encounter with nurse practitioners, clinical nurse specialists, nurse midwives and physician assistants who are working in collaboration with a physician may meet the requirement.

Title X also made modifications to Title IX, the revenue provisions. These provisions are described in the tax section of this report.

G. Health Care and Education Reconciliation Act of 2010 (P.L. 111–152)

On March 30, 2010 the Health and Education Reconciliation Act of 2010 (HCERA) (P.L. 111–152) was signed into law. This bill was considered in the House shortly after the Patient Protection and Affordable Care Act (PPACA) and was signed by the President a week after PPACA was signed into law. The health related portions of the bill included new provisions as well as amendments to PPACA. Title I of the bill contained health related provisions and was divided into five subtitles. Title II contained education and health-related provisions. The education-related provisions are not under the purview of the Committee on Ways and Means.

Title I of HCERA made amendments to the insurance coverage portions of PPACA. Specifically, provisions in Subtitle A amended sections of the Internal Revenue Code added by the Patient Protection and Affordable Care Act (PPACA) to revise the formula for calculating the refundable tax credit for premium assistance for coverage under a qualified health plan by establishing a sliding scale from the initial to the final premium percentage for individuals and families with household incomes up to 400 percent of the federal poverty line; required adjustments, after 2014 and after 2018, of the initial and final premium percentages to reflect the excess (if any) of the rate of premium growth over the rate of growth of income and the consumer price index; reduced from 9.8 percent to 9.5 percent of a taxpayer's household income the maximum amount an employee's required contribution to an employer-sponsored plan may be for such employee to be treated as eligible for employer-sponsored minimum essential coverage; and increased the percentage of plan cost sharing for the out-of-pocket expenses of individuals with household incomes between 100 percent and 400 percent of the federal poverty line.

Subtitle A also revised the PPACA provisions that set forth penalties to be imposed on individuals who decline to purchase health care coverage by: (1) lowering the maximum penalty amount from \$495 to \$325 in 2015 and from \$750 to \$695 in 2016; and (2) increasing the penalty rates based on taxpayer household income for taxable years beginning in 2014 and 2015 and for taxable years beginning after 2015. Additional provisions in Subtitle A revised the PPACA provisions setting forth penalties to be imposed on employers with 50 or more employees who decline to offer employees health care coverage to allow an exemption for the first 30 employees (including part-time employees) when calculating the penalty; increased the applicable penalty amount per employee to \$2,000; and eliminated the assessment on large employers with extended waiting periods for enrollment in employer-sponsored plans.

Finally, other provisions in Subtitle A modified the definition of "modified adjusted gross income" for purposes of the Exchange tax credit for premium assistance and the individual responsibility requirement for purchasing health care coverage; extended the exclusion from gross income for employer-provided health care coverage to adult children up to age 26; required Exchanges that offer health

care plans to provide the Secretary of the Treasury and taxpayers with specified information, including information about the level of coverage, the total premium for coverage, and the aggregate amount of any advance payment of the premium assistance tax credit; and established a Health Insurance Reform Implementation Fund within the Department of Health and Human Services (HHS) and made appropriations to the Fund for the administrative costs of carrying out PPACA and HCERA.

Subtitle B of Title I of HCERA made amendments to the Medicare-related provisions of PPACA. Specifically, provisions in this subtitle: amended Medicare Part D to direct the Secretary of HHS to provide a one-time \$250 rebate in 2010 to all Medicare Part D enrollees who enter the Medicare Part D coverage gap (also known as the “donut hole,” the difference between the standard initial coverage limit and the catastrophic or out-of-pocket coverage threshold for which the Medicare beneficiary is financially responsible); delayed until January 1, 2011, the deadline for establishment of a Medicare coverage gap discount program (created in PPACA), as well as the effective date of the requirement that a Part D drug manufacturer participate in it and repealed the increase by \$500 in the 2010 standard initial coverage limit (thus restoring the provisions in effect before enactment of PPACA); further amended the Medicare statutes, as amended by PPACA, to reduce the coinsurance percentage for covered brand-name and generic drugs to 25 percent by 2020 (thus closing the donut hole with 75 percent discounts); and revised the growth rate of the out-of-pocket cost threshold for Part D plans.

In addition, provisions in this subtitle amended PPACA to repeal: (1) certain provisions concerning Medicare Advantage (MA) payments, benchmarks, and capitation rates and (2) a requirement that the Secretary analyze the differences in coding patterns between MA and the original Medicare fee-for-service programs, and incorporate the results into risk scores for 2014 and subsequent years. This subtitle transitions MA benchmark methodology to a new blended benchmark methodology using area percentages of local fee-for-services spending. Beginning in 2013, MA benchmarks will be reduced relative to current levels, varying them from 95 percent of Medicare spending in high-cost areas to 115 percent of Medicare spending in low-cost areas. Beginning in 2012, the Subtitle creates a new quality incentive program for plans with quality ratings of four or five stars on a five-star system. The new program will increase payments to high-quality plans by as much as 5 percent. In addition, the Subtitle extended the authority of the Centers for Medicare & Medicaid Service to adjust MA risk scores for observed differences in coding patterns relative to fee-for-service; repealed the Comparative Cost Adjustment Program under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003; required MA plans whose medical loss ratios are not at least 0.85 to remit to the Secretary an amount equal to a specified percentage of plan revenue and require the Secretary to prohibit enrollment in such a plan of new enrollees for three consecutive contract years and terminate the contract if the plan fails to have a 0.85 medical loss ratio for five consecutive contract years.

Additional provisions in this subtitle: advanced the start date for Medicare disproportionate share hospital (DSH) payment reduc-

tions from FY 2015 to FY 2014, revised the formula to lower the amount of the reduction scheduled to occur over ten years, and revised the hospital market basket reduction applicable to payments to inpatient hospitals, long-term care hospitals, inpatient rehabilitation facilities, psychiatric hospitals, and outpatient hospitals. This subtitle also amended section 6001 of PPACA regarding the limitation on Medicare exception to the prohibition on certain physician referrals for hospitals by: (1) postponing from August 1, 2010, to December 31, 2010, the date by which physician-owned hospitals must have a provider agreement in order to participate in Medicare under a rural provider and hospital exception to the physician-ownership or -investment prohibition if they also meet certain requirements addressing conflicts of interest, bona fide investments, patient safety issues, and expansion limitations; (2) modifying the expansion limitation imposed on such a rural hospital under which the number of operating rooms, procedure rooms, and beds for which the hospital is licensed at any time on or after the enactment of PPACA is no greater than the number of such rooms and beds for which the hospital is licensed as of such date; and (3) allowing an exception to the expansion limitation for a high Medicaid hospital that treats the highest percentage of Medicaid patients in their county (and is not the sole hospital in the county).

Finally, provisions in this Subtitle: revised the special rule in the physician fee schedule for imaging services, in particular the PPACA adjustment in the practice expense relative value units with respect to advanced diagnostic imaging services to reflect a higher presumed utilization rate and replaced the multiyear phase-in of the assumed utilization rate from 50 percent to 75 percent with a flat 75 percent rate for 2011 and subsequent years; modified the employee wage and rent portions of the practice expense geographic index adjustment for 2010 and subsequent years and required such portions to reflect $\frac{1}{2}$ (instead of $\frac{3}{4}$) of the difference between the relative costs of employee wages and rents in each of the different fee schedule areas and the national average of such employee wages and rents; and, directed the Secretary to provide for a specified payment for FY 2011 and FY 2012 to qualifying subsection (d) hospitals located in a county that ranks (within the lowest quartile of such counties in the United States) based upon age, sex, and race adjusted spending per enrollee for Medicare Parts A and B benefits.

Subtitle C of Title I contained provisions relating to Medicaid, a program which is not under the jurisdiction of the Committee on Ways and Means.

Subtitle D of Title I contained provisions designed to reduce fraud, waste, and abuse in Federal health programs. Specifically, provisions in this subtitle: revised the meaning of a community mental health center that provides Medicare partial hospitalization services as a distinct and organized intensive ambulatory treatment service offering less than 24-hour-daily care and established new requirements for such community mental health centers to require that they provide (1) daily care other than in an individual's home or in an inpatient or residential setting and (2) at least 40 percent of its services to individuals who are not eligible for Medicare benefits; repealed Medicare prepayment medical review limitations to facilitate additional reviews designed to reduce fraud and

abuse; made additional appropriations to the Health Care Fraud and Abuse Control Account of the Federal Hospital Insurance Trust Fund for FY 2011–FY 2016 and to the Medicare Integrity Program for FY 2010 and each subsequent year, indexed for inflation; and revised requirements for the enrollment process for Medicare DMEPOS providers and suppliers to require the Secretary to withhold payment for a 90-day period after submission of a claim if the Secretary determines there is significant risk of fraudulent activity.

Subtitle E of Title I made revisions to PPACA provisions relating to revenue. Descriptions of these provisions are contained in the tax portion of this report.

Title II, specifically Subtitle B of Title II, contained additional health provisions. Provisions in Subtitle B amended PPACA to apply provisions that prohibit a health plan from applying any waiting period for coverage that exceeds 90 days to grandfathered health plans for plan years beginning on or after January 1, 2014. The subtitle also extended the application of certain PPACA private insurance provisions that: (1) prohibit a health plan from establishing lifetime limits on the dollar value of benefits for any participant or beneficiary; (2) prohibit a health plan from rescinding coverage of an enrollee except in the case of fraud or intentional misrepresentation of material fact; and (3) require a health plan that provides dependent coverage of children to make such coverage available for an adult child under 26 years of age to grandfathered health plans for plan years beginning on or after six months after enactment of PPACA.

In addition, the subtitle extended the application of provisions that: (1) prohibit a health plan from establishing annual limits on the dollar value of benefits for any participant or beneficiary (except that restrictions on annual limits apply for plan years beginning on or after six months after enactment of PPACA and continue until January 1, 2014); and (2) prohibit a health plan from imposing any preexisting condition exclusions, except that such requirements apply for plan years beginning on or after six months after enactment of PPACA for enrollees under 19 years of age to grandfathered group health plans for plan years beginning on or after January 1, 2014. It also requires grandfathered group health plans for plan years beginning before January 1, 2014, to provide dependent coverage to an adult child until age 26 only if such child is not eligible to enroll in an employer-sponsored health plan other than such grandfathered health plan; repeals the requirement that an adult child be unmarried in order to qualify for dependent coverage until age 26; limits the 340B drug discount program to outpatient drugs and removes exceptions to the prohibition on enrolled hospitals obtaining covered outpatient drugs through a group purchasing organization or a group purchasing arrangement (thus restoring the provisions in effect before enactment of PPACA); excludes certain drugs designated for a rare disease or condition as covered outpatient drugs for covered entities added to the program under PPACA; and increases the authorization of appropriations for FY 2011–FY 2015 to the Community Health Center Fund to provide enhanced funding for the community health center program.

H. Continuing Extension Act of 2010 (P.L. 111–157)

On April 15, 2010, the “Continuing Extension Act of 2010” was signed into law. The bill extended eligibility for the COBRA premium subsidy originally authorized under the American Recovery and Reinvestment Act of 2009 (ARRA) and extended under the Temporary Extension Act of 2010 from March 31, 2010, to May 31, 2010. The bill averted a 21 percent reduction in Medicare physician payments scheduled to take effect on April 1, 2010, and extended fee schedule rates until May 31, 2010. The bill also clarified the definition of “hospital-based eligible provider” for purposes of determining whether such provider is eligible for health information technology incentives under the Medicare and Medicaid programs.

I. TRICARE Affirmation Act (P.L. 111–159)

On April 26, 2010, the “TRICARE Affirmation Act” was signed into law. The bill amended the Internal Revenue Code to provide that health care coverage provided by the TRICARE program and the Non-appropriated Fund Health Benefits Program of the Department of Defense (DOD) shall constitute minimal essential health care coverage as required by the Patient Protection and Affordable Care Act.

J. To clarify the health care provided by the Secretary of Veterans Affairs constitutes Minimum Essential Coverage (P.L. 111–173)

On May 27, 2010, the President signed H.R. 5014, a bill to clarify that the health care provided by the Secretary of Veterans Affairs constitutes Minimum Essential Coverage. The bill amended the Internal Revenue Code to clarify that care provided by the Department of Veterans Affairs (VA) to children of Vietnam War and certain Korean War veterans for spina bifida-related medical conditions and children of women Vietnam veterans born with certain birth defects as meeting the definition of minimum essential coverage under requirements of the Patient Protection and Affordable Care Act.

K. Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (P.L. 111–192)

On June 25, 2010, the “Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010” was signed into law. The bill’s Medicare-related provisions averted a 21 percent reduction in Medicare payments to physicians and increased the single conversion factor in the formula for determining physician payment rates by 2.2 percent for services furnished from June 1, 2010, through November 30, 2010. The bill also clarifies the definition of “other services” that are included in the payment rate for inpatient hospital services under the three-day payment window.

In addition, the bill amended the Internal Revenue Code (IRC) to authorize the Secretary of the Treasury to disclose to officers and employees of the Department of Health and Human Services (HHS) tax return information regarding delinquent tax debt with respect to taxpayers who apply to enroll or reenroll as Medicare service providers or suppliers. It also required the HHS Secretary to take this information into account in determining whether to deny such an application or to apply enhanced oversight to a serv-

ice provider or supplier who owes such a debt. The pension provisions of this law are described in the tax section of this report.

L. Physician Payment and Therapy Relief Act of 2010 (P.L. 111–286)

On November 30, 2010, the Physician Payment and Therapy Relief Act of 2010 (P.L. 111–286) was signed into law. The law amended title XVIII (Medicare) of the Social Security Act to continue the existing 2.2 percent physician payment update that would have expired November 30, 2010, for an additional month through December 31, 2010. It also applies a 20 percent reduction, rather than the 25 percent reduction (which was established by regulation) in the discount for certain multiple therapy services furnished on or after January 1, 2011, and exempts reduced expenditures attributable to the multiple procedure payment reduction from budget-neutrality requirements.

M. Medicare and Medicaid Extenders Act of 2010 (P.L. 111–309)

On December 15, 2010, the Medicare and Medicaid Extenders Act of 2010 was signed into law. The law extended a series of expiring provisions and made certain technical corrections to underlying law. Specifically, the law averted a 25 percent reduction in Medicare physician payments scheduled to take effect on January 1, 2011, and provided for a freeze to the update of the single conversion factor through December 31, 2011. The law also: extended Medicare section 508 hospital reclassifications through FY2011; extended the floor on the Medicare work geographic cost index adjustment floor through 2011; extended payment for the technical component of certain physician pathology services in Medicare through 2011; extended the exceptions process for Medicare therapy caps through 2011; extended Medicare add-on payments for ambulances through 2011; extended Medicare physician fee schedule mental health services add-on payments through 2011; extended the outpatient hospital hold harmless provision through 2011; and, extended the Qualified Individual program through 2011.

Additional provisions in this law made technical corrections and other revisions to programs under the jurisdiction of the Committee on Ways and Means. These provisions included: a clarification of the effective date of a Medicare Part B Special Enrollment Period for disabled TRICARE beneficiaries; a repeal of a provision from PPACA that delayed the implementation of the RUG–IV payment system for Skilled Nursing Facilities in Medicare; an appropriation of additional funds to the Centers for Medicare and Medicaid Services for claims reprocessing; a reduction in the amount available for expenditure in the Medicare Improvement Fund in FY2015 and changes to the limit on the amount recovered from eligible taxpayers who receive advance payment of premium assistance tax credits for the purchase of qualified health plans in an exchange in the event that a taxpayer's income increases over the course of a year.

N. Omnibus Trade Act of 2010

On December 29, 2010, the Omnibus Trade Act of 2010 was signed into law. As of the printing of this report, the legislation

had not been assigned a Public Law number. The law contained a handful of health-related provisions. The health provisions were part of a six week extension (until February 12, 2011) of Trade Adjustment Assistance (TAA). Specifically, health provisions in this legislation extended all of the amendments and improvements to the Health Coverage Tax Credit (HCTC) that were enacted in the American Recovery and Reinvestment Act (ARRA), which are described in the ARRA section of this report.

2. OTHER HEALTH MATTERS

a. Subcommittee on Health hearings

i. MedPAC's Annual March Report on Medicare Payment Policies

On March 17, 2009, the Subcommittee on Health held a hearing to receive testimony from the Medicare Payment Advisory Commission (MedPAC) regarding their annual recommendations for Medicare payment policies.

ii. Reducing Fraud, Waste and Abuse in Medicare

On June 15, 2010, the Subcommittee on Health held a hearing to receive testimony from Members of Congress and representatives from the Centers for Medicare and Medicaid Services, the Office of the Inspector General of HHS, the Government Accountability Office and the Department of Justice on the prevention, detection, investigation and prosecution of Medicare fraud, waste, and abuse.

iii. Efforts to Promote the Adoption and Meaningful Use of Health Information Technology

On July 20, 2010, the Subcommittee on Health held a hearing to receive testimony from the Centers for Medicare and Medicaid Services, the Office of the National Coordinator for Health Information Technology, stakeholders and beneficiary advocates on efforts to promote the adoption of health information technology, specifically through Medicare incentives designed to encourage the meaningful use of electronic health records.

b. Full Committee hearings on health

i. Health Reform in the 21st Century: Expanding Coverage, Improving Quality and Controlling Costs

On March 11, 2009, the Committee on Ways and Means held a hearing to receive testimony from policy experts and stakeholders on the need for comprehensive health reform and key features of a reformed health system.

ii. Health Reform in the 21st Century: Reforming the Health Care Delivery System

On April 1, 2009, the Committee on Ways and Means held a hearing to receive testimony from the Medicare Payment Advisory Commission, policy experts, stakeholders and provider representatives on policies to modernize the health care delivery system.

iii. Health Reform in the 21st Century: Insurance Market Reforms

On April 22, 2009, the Committee on Ways and Means held a hearing to receive testimony from policy experts and stakeholders on strategies to reform the health insurance market to ensure greater accessibility and affordability.

iv. Health Reform in the 21st Century: Employer Sponsored Insurance

On April 29, 2010, the Committee on Ways and Means held a hearing to receive testimony from policy experts and business owners on trends in employer-sponsored health insurance and strategies to strengthen and build upon job-based coverage.

v. Health Reform in the 21st Century: A Conversation with Health and Human Services Secretary Kathleen Sebelius

On May 6, 2009, the Committee on Ways and Means held a hearing to receive testimony from Health and Human Services Secretary Kathleen Sebelius on the President's principles for health reform.

vi. Health Reform in the 21st Century: Proposals to Reform the Health System

On June 24, 2009, the Committee on Ways and Means held a hearing to receive testimony from policy experts, stakeholders, provider representatives, and beneficiary advocates on the health reform proposal developed by the Committees on Ways and Means, Energy and Commerce, and Education and Labor and other proposals to reform the health system.

Legislation

B. BILLS ENACTED INTO LAW DURING THE 111TH CONGRESS

1. H.R. 1, the "American Recovery and Reinvestment Act of 2009"—In February 2009, Congress passed and the President signed H.R. 1, the "American Recovery and Reinvestment Act of 2009" (ARRA), landmark legislation designed to create jobs, promote economic recovery, assist people most impacted by the recession, and make investments in infrastructure and technology to increase economic efficiency and provide long-term economic benefits. The legislation included over \$500 million in funding for SSA's National Computer Center replacement project as well as \$500 million in emergency administrative funding to cover the increased costs of processing a surge in retirement and disability benefit claims during the recession. In addition, the ARRA provided for a one-time \$250 payment to certain individuals who receive Social Security, Supplemental Security Income (SSI), Railroad Retirement and Veterans benefits.

This legislation was introduced January 26, 2009, by Rep. David R. Obey, Chairman of the House Appropriations Committee. On January 28, 2009, this bill passed the House by 244 yeas and 188 nays (Roll no. 46). The bill was amended and passed in the Senate on February 10, 2009 by a vote of 61 yeas and 37 nays (Record Vote Number: 61). After resolving differences in Conference (Conference report H. Rept. 111–16), both the House and Senate passed

the legislation on February 13, 2009 by votes of 246 yeas, 183 nays, and one present (Roll no. 70) and 60 yeas and 38 nays (Record Vote Number: 64) respectively. On February 17, 2009 the bill became Public Law No: 111-5.

2. H.R. 3325, the “WIPA and PABSS Reauthorization Act of 2009” and H.R. 6200, the “WIPA and PABSS Extension Act of 2010”—On July 24, 2009, Subcommittee on Social Security Chairman John S. Tanner and Ranking Member Sam Johnson, and Income Security and Family Support Chairman Jim McDermott, introduced H.R. 3325 the “WIPA and PABSS Reauthorization Act of 2009” to extend for one year two SSA programs, the Work Incentives Planning and Assistance (WIPA) and the Protection and Advocacy for Beneficiaries of Social Security (PABSS) programs, that help those receiving Social Security and Supplemental Security Income disability benefits return to work. The WIPA program allows disability beneficiaries to get one-on-one assistance from community organizations to help them understand Social Security’s complex rules and the effect that working will have on their benefits. The PABSS program provides legal advocacy services to help beneficiaries get a job or keep their job. Without action, the programs would have expired at the end of September 2009.

On July 28, 2009, using a motion to suspend the rules and pass the bill, the House agreed to pass H.R. 3325 by voice vote. The Senate also passed H.R. 3325 without amendment by Unanimous Consent on August 6, 2009. On September 18, 2009, H.R. 3325 was signed by the President and became Public Law No: 111-63.

A year later, the provisions were set to expire again. On September 23, 2010, Subcommittee on Social Security Chairman Earl Pomeroy and Ranking Member Sam Johnson, and Income Security and Family Support Chairman Jim McDermott, introduced H.R. 6200, the WIPA and PABSS Extension Act of 2010. On September 28, 2010, under suspension of the rules, H.R. 6200 passed the House by voice vote. On September 29, 2010, the Senate passed the bill without amendment by Unanimous Consent. On October 13, 2010, the bill was signed by the President and became Public Law No: 111-280. H.R. 6200 provided for another one year reauthorization of these two programs. Minor conforming changes were included in this extension to limit carry-over of unspent funds.

Neither bill increases direct spending, but both allowed SSA to continue to spend up to \$30 million of its discretionary budget on WIPA and PABSS.

3. H.R. 4218, the “No Social Security Benefits for Prisoners Act of 2009”—On December 8, 2009, Subcommittee on Social Security Chairman Tanner and Ranking Member Sam Johnson again joined to introduce H.R. 4218, the “No Social Security Benefits for Prisoners Act of 2009.” A week later, on December 12, 2009, Congress enacted H.R. 4218, the “No Social Security Benefits for Prisoners Act of 2009” and it became Public Law 111-115. This law prevented the Social Security Administration and Department of Treasury from issuing retroactive Social Security and Supplemental Security Income benefit payments to individuals while they are in prison, along with beneficiaries in violation of conditions of parole or probation, or who are fleeing to avoid prosecution for a felony or a crime punishable by sentence of more than one year. The Social Security Act already barred payment of monthly bene-

fits to such individuals, but did not include a provision barring retroactive benefits.

4. H.R. 4532, the “Social Security Disability Applicants’ Access to Professional Representation Act of 2010”—The “Social Security Disability Applicants’ Access to Professional Representation Act of 2010” was introduced by the Subcommittee on Social Security Chairman, John S. Tanner and Ranking Member Sam Johnson, along with the Subcommittee on Income Security and Family Support Chairman, Jim McDermott and Ranking Member John Linder on January 27, 2010. This bipartisan legislation amended the Social Security Protection Act of 2004 to provide for permanent extension of the attorney fee withholding demonstration program under title II (Old Age, Survivors and Disability Insurance) and title XVI (Supplemental Security Income) of the Social Security Act. This program ensures that applicants are able to receive assistance from professional representatives if they need it to help navigate the disability benefit application process. Without passage of this legislation, the program would have expired on March 1, 2010. H.R. 4532 would save approximately \$3 million in FY 2010 and \$55 million over 10 years due to user fees paid by the representatives who participate.

When it reached the House floor the bill had 10 bipartisan cosponsors. H.R. 4532 passed on February 4, 2010, on a motion to suspend the rules and pass the bill with 412 yeas and 6 nays (Roll no. 47).

On February 22, 2010, the Senate passed H.R. 4532 without amendment by Unanimous Consent. On February 27, 2010, the bill was signed by the President becoming Public Law No: 111–142.

5. H.R. 5854, the “No Prisoner Access to Social Security Numbers Act of 2010”—The Social Security Administration Office of Inspector General (OIG) investigated correctional institution industry practices and potential risks associated with allowing prisoners access to Social Security Numbers (SSNs) in several reports. In a 2006 report, the OIG found 13 states had allowed prison inmates to perform work that allowed them access to personally identifiable information, including SSNs. SSA responded by contacting the state governments and advising them of the dangers of this practice. In response, five states stopped this work. However, a more recent audit (*Prisoners’ Access to Social Security Numbers* (A–08–10–11042) issued March 12, 2010,) found that eight states continue to allow access to SSN information by inmates while in prison or in work release programs. The states are Alabama, Arkansas, Kansas, Nebraska, Oklahoma, South Dakota, Tennessee, and West Virginia. Some of these states instituted limited safeguards to keep prisoners from stealing the information, but the OIG’s audit found these protections generally insufficient. SSA and the OIG agreed that legislation to ban this practice altogether was warranted.

On July 26, 2010, Subcommittee on Social Security Chairman Earl Pomeroy introduced H.R. 5854, the “No Prisoner Access to Social Security Numbers Act of 2010.” The purpose is to protect the integrity of the Social Security program by helping prevent identity theft. The bill would prohibit states and local governments from using prison inmates to process data or perform any other work that allows them to have access to Social Security numbers. The Congressional Budget Office (CBO) estimated that the bill will

have minimal costs on the states that currently rely on prison labor, but not enough to trigger the Unfunded Mandates Reform Act threshold of \$70 million. H.R. 5854 was introduced with fourteen bipartisan cosponsors, all members of the Subcommittee on Social Security.

On September 28, 2010, by Unanimous Consent the Senate passed S. 3789, the “Social Security Number Protection Act of 2010,” a bill introduced by Senator Dianne Feinstein which was similar in content to H.R. 5854. This legislation prohibits federal, state, or local agencies from: (1) displaying the Social Security account number of any individual, or any derivative of such number, on any check issued for any payment by the agency; or (2) employing, or entering into a contract for the use or employment of, prisoners in any capacity that would allow them access to the Social Security account numbers of other individuals.

On December 8, 2010, Subcommittee on Social Security Chairman Pomeroy moved to suspend the rules and pass S. 3789 as agreed to in the Senate. The House passed the legislation by voice vote.

C. OTHER PROPOSALS DURING THE 111TH CONGRESS

1. H.R. 3306, the Social Security Number Privacy and Identity Theft Prevention Act of 2009—On July 23, 2009, Social Security Subcommittee Chairman John Tanner and Ranking Member Sam Johnson introduced H.R. 3306, the “Social Security Number Privacy and Identity Theft Prevention Act of 2009,” in order to amend the Social Security Act to enhance Social Security account number privacy protections, to prevent fraudulent use of the Social Security account number (SSN), and to otherwise enhance protection against identity theft, and for other purposes.

To increase the privacy of individual SSNs and to prevent identity theft, the bill would restrict the sale, purchase, and public display of SSNs. In order to balance between legitimate uses and the need for stronger privacy protections, appropriate exceptions were included for law enforcement (including child support enforcement); national security; public health; health or safety emergency situations; tax purposes; to ensure the accuracy of credit and insurance underwriting information and certain other Fair Credit Reporting Act purposes; if incidental to the sale, lease or merger of a business; to administer employee or government benefits; for some research; or with the individual’s affirmative, written consent.

H.R. 3306 would prohibit Federal, State, and local governments from: (1) Selling SSNs (2) Displaying SSNs to the general public, including on the Internet (3) Displaying SSNs on checks issued for payment and accompanying documents (4) Displaying SSNs on identification cards and tags issued to employees or their families, e.g., Defense Department IDs; to patients and students at public institutions; and on Medicare insurance cards (5) Employing prisoners in jobs that provide them with access to SSNs and (6) Requiring the transmission of SSNs over the Internet without encryption or other security measures.

The private sector would be prohibited from: (1) Selling or purchasing SSNs, with some exceptions permitted for other purposes by regulation (2) Displaying SSNs to the general public, including on the Internet (3) Displaying SSNs on checks (4) Requiring the

transmission of SSNs over the Internet without encryption or other security measures (5) Making unnecessary disclosures of another individual's SSN to government agencies (6) Displaying the SSN on cards or tags issued to employees, their family members, or other individuals and (7) Displaying the SSN on cards or tags issued to access goods, services, or benefits.

The public and private sector would be required to safeguard SSNs they have in their possession from unauthorized access by employees or others and this legislation also included provisions to enhance civil and criminal penalties for misuse of the SSN, increase enforcement authority, and require a study on misuse of SSN for authentication.

This legislation was identical to legislation reported unanimously by the Committee on Ways and Means in the 110th Congress (H.R. 3046) and had along history of bipartisan support. Earlier versions were sponsored in prior congresses by the Chairmen and Ranking Members of the Subcommittee since the 106th Congress. The Committee did not act on the bill.

2. H.R. 5987, the "Seniors Protection Act"—As a result of economic conditions, 2011 will be the second consecutive year that Social Security beneficiaries, veterans, and people with disabilities will see no automatic increase in their monthly Social Security, SSI, VA Pension and Compensation, and Railroad Retirement benefits. In 2009 and 2010, the formula used to calculate Cost of Living Adjustments (COLAs) showed no increase and therefore, no COLA is payable in 2011.

On July 30, 2010, Social Security Subcommittee Chairman Earl Pomeroy introduced H.R. 5987, the "Seniors Protection Act," a bill to provide a one-time \$250 payment to recipients of Social Security, Supplemental Security Income, Veteran Affairs pensions and compensation, and Railroad Retirement benefits.

Several Members of Congress proposed a one-time \$250 payment to seniors during the 111th Congress, which would represent less than two percent of the average annual Social Security retirement benefit. The President also has called for relief, and included a \$250 payment in both his FY 2010 and FY 2011 budgets. On December 8, 2010, H.R. 5987 had 158 cosponsors, when Subcommittee on Social Security Chairman Pomeroy moved to suspend the rules and pass the bill, as amended with technical corrections. The legislation failed to meet the required $\frac{2}{3}$ majority by a vote of 254 yeas and 153 nays (Roll no. 611).

E. LEGISLATIVE REVIEW OF INCOME SECURITY AND FAMILY SUPPORT ISSUES

1. UNEMPLOYMENT INSURANCE

On January 22, 2009, the Ways and Means Committee held a markup of H.R. 598, which was subsequently titled the "American Recovery and Reinvestment Act (ARRA)." The Recovery Act, which included numerous unemployment insurance provisions, was passed by the House on February 13, 2009, and signed into law by President Obama on February 17, 2009 (P.L. 111-5).

The ARRA continued through 2009 the Emergency Unemployment Compensation (EUC) program, which at that point provided up to 33 weeks of federally-funded extended unemployment bene-

fits. The law also temporarily provided full Federal funding for additional benefits in high unemployment States through the permanent-law Extended Benefits (EB) program. Additionally, for the first time ever, the measure temporarily provided Federal funds to increase unemployment benefits by \$25 a week. The legislation also increased administrative funding for processing unemployment claims, temporarily suspended taxes on unemployment insurance (UI) benefits (up to \$2,400 per year) and waived interest payments through 2010 for State UI programs requiring Federal loans.

Finally, the new law provided up to a total of \$7 billion in UI Modernization Incentive Payments for States that have or put in place specific reforms designed to increase access to UI benefits for jobless workers. More specifically, the provision offers incentive funds for States to enact reforms designed to:

1. count workers' most recent quarterly wages when determining UI eligibility;
2. provide UI benefits to individuals seeking part-time work when their eligibility for benefits is based predominantly on part-time employment;
3. allow separations from work for certain compelling family reasons;
4. provide extended benefits during approved training for high-demand employment;
5. and provide weekly dependents allowances.

On April 23, 2009, the Subcommittee on Income Security and Family Support held a hearing on Implementation of Unemployment Insurance Provisions in the Recovery Act, with a focus on the unemployment insurance modernization, augmentation, and extension provisions in the Recovery Act.

On September 10, 2009, Subcommittee Chairman McDermott introduced the Unemployment Compensation Extension Act of 2009 (H.R. 3548), which initially proposed a third tier within the EUC program of up to 13 weeks of UI benefits for workers in States with high unemployment rates. Ultimately, a version of this bill provided 14 more weeks of UI benefits in all States and up to another 6 weeks for workers in States with the highest unemployment rates. This language became law as part of the Worker, Homeownership, and Business Assistance Act of 2009 (H.R. 3548). This Act was passed by the Senate on November 4, 2009, passed by the House on November 5, 2009, and signed by the President on November 6, 2009 (P.L. 111-92).

Short-term extensions of the EUC, EB, and FAC provisions were enacted in the Department of Defense Appropriations Act, 2010 (H.R. 3326); the Temporary Extension Act of 2010 (H.R. 4691); and the Continuing Extension Act of 2010 (H.R. 4851).

On October 8, 2009, the Subcommittee on Income Security and Family Support held a hearing on the "Safety Net's" Response to the Recession, which evaluated the response of safety net programs, including unemployment insurance, to the recession.

On June 10, 2010, the Subcommittee on Income Security and Family Support held a hearing on Responding to Long-Term Unemployment, with a focus on Federal policy responses to growing long-term unemployment.

On June 28, 2010, Subcommittee Chairman McDermott introduced the Restoration of Emergency Unemployment Compensation

Act of 2010 (H.R. 5618), which would have extended the EUC program and full Federal funding for the EB program through November 2010, as well as limit disincentives to part-time work by UI beneficiaries. A version of this bill passed as the Unemployment Compensation Extension Act (H.R. 4213). This Act was passed by the Senate on July 21, 2010, passed by the House on July 22, 2010, and signed by the President on July 22, 2010 (P.L. 111–205).

On December 16, 2010, the House passed and sent to the President the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, which included an extension of the EUC program and 100 percent Federal funding for the EB program through calendar year 2011. The legislation also would allow States to look back to the previous three years (rather than the prior two years) in order to meet an EB program requirement that a State's unemployment rate be higher than in the past. Additionally, the legislation continues for one year an extended unemployment benefits program for railroad workers.

As of September 30, 2010, the Department of Labor estimates that 13.5 million individuals received a total of \$106.2 billion in EUC benefits. In addition, \$12.2 billion in EB payments and \$18.2 billion in Federal Additional Compensation (the extra \$25 per week) were provided. Finally, 39 States received UI Modernization Incentive Payments for either enacting or already having specific provisions in State law to improve UI coverage for jobless workers.

2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

As marked up by the Committee and as signed into law, the American Recovery and Reinvestment Act (P.L. 111–5) included an Emergency Contingency Fund to help States with increasing expenditures on: basic assistance for families in the Temporary Assistance for Needy Families (TANF) program; short-term, one-time aid for needy families; and subsidized employment programs (such programs temporarily pay for all or part of the wages of a worker in a public or private job). This fund provided 80 percent Federal matching funds for such purposes with three limitations. The overall fund was capped at \$5 billion, no State's total allocation from both the Emergency Fund and from a permanent-law contingency fund under the TANF program could exceed 50% of its annual TANF grant amount, and the fund expired on September 30, 2010.

In addition, the Recovery Act provided a hold harmless for the caseload reduction credit under the TANF program through FY 2011 that permits States to maintain the credit provided in either FY 2007 or FY 2008.

The Subcommittee conducted two hearings that assessed the impact of the Emergency Contingency Fund in assisting families who were adversely affected by the recession, including a hearing on the safety net's response to the recession on October 8, 2009 and a hearing on TANF's role in providing assistance to struggling families on March 11, 2010. Testimony from these hearings, as well as subsequent information, indicated that about three-quarters of the States used a portion of this funding to create roughly 250,000 jobs through subsidized employment programs, which temporarily provide partial or full wage subsidies to employers hiring TANF recipients and other unemployed individuals.

On February 2, 2010, Subcommittee Chairman McDermott introduced the Jobs Program and Assistance for Families Act (H.R. 4564), to extend the Emergency Fund through FY 2011. A version of this proposal to extend the fund was included in two bills passed by the House: the Small Business and Infrastructure Jobs Tax Act (H.R. 4849); and the American Jobs and Closing Tax Loopholes Act (H.R. 4213).

On September 30, 2010, the House passed H.R. 3081 to temporarily continue funding for various programs. The bill was signed into law as P.L. 111-242. This legislation continued funding for the basic TANF program and a variety of related programs (but not including the TANF Emergency Contingency Fund) through December 3, 2010. Subsequent legislation (the Claims Act Resolution Act, P.L. 111-291) further extended the TANF program through the end of FY 2011, as well as made other changes involving marriage funding and data reporting requirements.

3. HOME VISITATION PROGRAM

On June 2, 2009, the Early Support for Families Act (H.R. 2667) was introduced by Income Security and Family Support Subcommittee Chairman Jim McDermott and Subcommittee Member Danny Davis. The legislation would have established dedicated Federal funding to support the creation and expansion of voluntary home visitation programs for pregnant women and families with pre-school aged children.

The objective of the legislation was to encourage and support programs designed to enhance the well-being and development of young children by providing: information on child health, development, and care; parental support and training; and referral to other services. Programs providing home visits conducted by nurses, social workers, other professionals or para-professionals and that are proven to be effective would have been eligible for Federal support under the bill.

On June 9, 2009, the Subcommittee on Income Security and Family Support held a hearing to review proposals to provide Federal funding for early childhood home visitation programs, including H.R. 2667.

On July 16, 2009, the Committee on Ways and Means held a mark up on H.R. 3200, the America's Affordable Health Choices Act of 2009, which included a modified version of H.R. 2667.

On March 23, 2010, the Patient Protection and Affordable Care Act (P.L. 111-148) was signed into law by President Obama. The landmark health care reform legislation included language similar to H.R. 2667 to provide Federal funding (\$1.5 billion over five years) for States and tribes to establish and expand voluntary home visitation programs.

4. POVERTY MEASUREMENT

On July 17, 2008, the Subcommittee on Income Security and Family Support held a hearing on Establishing a Modern Poverty Measure, which focused on considering proposals to improve and update the current poverty measure.

On June 17, 2009, Subcommittee Chairman Jim McDermott introduced the Measuring American Poverty Act of 2009 (H.R. 2909), which largely followed the recommendations of the National Acad-

emy of Sciences (NAS) to improve and update the current poverty measurement. The bill became the basis for technical recommendations later developed by the Obama Administration for a new Supplemental Poverty Measure.

5. CHILD SUPPORT ENFORCEMENT

Subcommittee Chairman McDermott introduced legislation in the 110th Congress to repeal a provision of the Deficit Reduction Act (DRA) of 2005 which had the effect of reducing Federal funding for child support enforcement. (Starting in FY 2008, the DRA eliminated Federal matching payments for child support incentive funding used to collect child support.)

As marked up by the Committee on Ways and Means on January 22, 2009 and as signed into law by the President on February 17, 2009, the Recovery Act (P.L. 111-5) temporarily suspended this DRA child support provision for FY 2009 and FY 2010.

6. SUPPLEMENTAL SECURITY INCOME (SSI)

One-Time payments to SSI recipients—

The American Recovery and Reinvestment Act (P.L. 111-5) included a one-time economic recovery payment of \$250 to all Supplemental Security Income (SSI) recipients, adult Social Security beneficiaries, adult Railroad Retirement and disability beneficiaries, and veterans compensation and pension beneficiaries.

To be eligible to receive the one-time economic recovery payment, an SSI recipient must have been entitled to a cash benefit (other than a personal needs allowance) under the program for at least one month during November or December 2008 or January 2009. Individuals whose SSI or Social Security benefits were suspended because of their status as a prisoner, public institution inmate, parole or probation violator, fugitive, or illegal alien or if their benefits have been suspended because of fraud were ineligible for the payment. Nearly 55 million economic recovery payments, totaling more than \$13.6 billion, were issued by the Social Security Administration, Department of Veterans Affairs; and the Railroad Retirement Board.

Improving access to clinical trials for certain SSI recipients—

On September 23, 2010 the House passed by voice vote the Improving Access to Clinical Trials Act of 2010 (S. 1674). The legislation passed the Senate on August 5, 2010 by unanimous consent. President Obama signed the bill into law on October 5, 2010 as P.L. 111-255.

The Improving Access to Clinical Trials Act allows Supplemental Security Income (SSI) recipients with rare diseases or conditions (defined as a disease affecting no more than 200,000 people) to participate in clinical research trials reviewed and approved by an institutional review board that protects the rights and welfare of human subjects, while excluding the first \$2000 received as compensation or for reimbursement of out-of-pocket expenses from the income and asset limits in the SSI program. It also excludes such compensation from the eligibility test in the Medicaid program.

7. CHILD WELFARE

FMAP Increase for Child Welfare Programs—

The American Recovery and Reinvestment Act (P.L. 111–5) temporarily increased the Federal matching rate for Title IV–E foster care maintenance, adoption assistance, and kinship guardianship assistance payments. The new legislation provided a general 6.2 percentage point increase in each State’s Federal medical assistance percentage (FMAP) that applies from October 1, 2008 through December 2010. (The FMAP is the rate at which States are reimbursed for most Medicaid service expenditures and is also used in determining the Federal share of certain other programs including foster care and adoption assistance under Title IV–E of the Social Security Act). The Congressional Budget Office (CBO) estimated that the temporary FMAP increase would provide States with additional Federal child welfare funding under the Title IV–E program of just over \$1 billion, which will primarily be received during FY2009 and FY2010.

On August 10, 2010, the FMAP increase was extended for an additional six months as part of the FAA Airport Transportation Modernization and Safety Improvement Act (H.R. 1586, enacted as P.L. 111–226), but at a lower matching rate than that provided under P.L. 111–5.

Renewal of the Title IV–E Child Welfare Demonstration Waivers—

On September 16, 2010, Income Security and Family Support Subcommittee Chairman Jim McDermott and Ranking Member John Linder introduced H.R. 6156, a bill to renew the authority of the Department of Health and Human Services (HHS) to approve demonstration projects designed to test innovative strategies in State child welfare programs. The bill was introduced following a Subcommittee hearing on July 29, 2010 that reviewed State use of child welfare waiver demonstration projects to promote child well-being. The legislation would allow HHS to grant up to 10 demonstration projects annually to States and tribes to demonstrate alternative approaches to achieve Federal child welfare policy goals. The objective of these projects is to test innovative strategies aimed at improving the outcomes of children and families that are known to the foster care system. The House of Representatives passed H.R. 6156 by voice vote on September 23, 2010.

F. LEGISLATIVE REVIEW OF DEBT ISSUES

On February 12, 2009, the House agreed to the conference report on H.R. 1, the American Recovery and Reinvestment Act of 2009, by a vote of 246 to 183. The Senate approved the conference report on February 13, 2009. It raised the debt limit by \$796 billion, to \$12.104 trillion. The President signed the legislation into law on February 17, 2009 (P.L. 111–5).

On December 16, 2009, the House passed H. Res. 976, a bill to permit continued financing of government operations, by a vote of 218 to 214. The Senate approved the resolution on December 24, 2009. It raised the debt limit by \$290 billion, to \$12.394 trillion. The President signed the legislation into law on December 28, 2009 (P.L. 111–123).

On April 29, 2009, the House and Senate passed the conference report on S. Con. Res. 13, the Concurrent Resolution on the Budget for Fiscal Year 2010. The conference report (H. Rept. 111–89) was agreed to by the House by a vote of 233–193, and by the Senate by a vote of 53–43. As a result of the adoption of the FY 2008 budget, H.J. Res. 45, a bill to increase the statutory limit on the public debt, was deemed passed in the House pursuant to House Rule XXVII. On January 28, 2010, the Senate passed H.J. Res. 45 by a vote of 60–39, with amendments. On February 4, 2010, the House approved the resolution by a vote of 233–187. The legislation included an increase in the debt limit of \$1.9 trillion, to \$14.294 trillion. The resolution was signed into law by the President on February 12, 2010 (P.L. 111–139).

II. OVERSIGHT REVIEW

A. OVERSIGHT AGENDA

FEBRUARY 9, 2009.

Hon. EDOLPHUS TOWNS,
*Chairman, Committee on Oversight & Government Reform, Rayburn
House Office Bldg., House of Representatives, Washington, DC.*

Hon. ROBERT A. BRADY,
*Chairman, Committee on House Administration, Longworth House
Office Bldg., House of Representatives, Washington, DC.*

DEAR CHAIRMAN TOWNS AND CHAIRMAN BRADY: In accordance with the requirements of clause 2 of rule X of the Rules of the House of Representatives, the following is a list of hearings and oversight-related activities that the Committee on Ways and Means and its Subcommittees plan to conduct during the 111th Congress.

FULL COMMITTEE

Economic Security and Federal Budget—

- *Economic and Budget Outlook.* Oversight hearings with various Administration officials to discuss current economic and budget conditions, including the long-term outlook, the state of the economy, prospects for recovery and long-term growth, our economic competitiveness, and job creation.

- *Priorities of the Office of Management and Budget.* Oversight hearings with the Office of Management and Budget Director to discuss the overall state of the federal budget and the Administration's priorities for the 111th Congress, and consider budgetary proposals affecting the various programs under the Committee's jurisdiction, including tax, health, income security, Social Security, pensions, and trade-related matters.

Tax Issues—

- *Priorities of the Department of the Treasury.* Oversight hearings with the Treasury Secretary to discuss priorities for the 111th Congress. Specifically, discuss and consider legislative and administrative proposals of the President for 2009 and 2010.

- *Tax Relief for Individuals and Families.* Oversight hearings on tax relief for individual taxpayers and families, including alternative minimum tax relief and child-related tax benefits.

- *Tax Reform.* Oversight hearings on simplifying and reforming the tax code.
- *Climate Change.* Oversight hearings on government efforts to address climate change.
- *Energy.* Oversight hearings on energy tax issues, including incentives for alternative fuel production, energy conservation, and increasing U.S. energy independence.
- *Housing.* Oversight hearings on tax incentives for moderately-priced housing, focusing on options for increasing the supply of middle-income rental housing and home ownership.
- *Education.* Oversight hearings on options to simplify the current complex structure of education incentives and tax benefits for higher education.
- *Retirement Savings and Secured Retirement.* Oversight hearings on increased decline in retirement savings, low pension coverage in employer-sponsored plans, enhanced disclosure of fees charged against pension plans, investment advice for participating workers, and efforts to increase retirement security for all American workers.

Health and Human Services Issues—

- *Priorities of the Department of Health and Human Services.* Oversight hearing with the Health and Human Services Secretary to discuss priorities for the 111th Congress and concerns related to the delivery of health services and reimbursement under Medicare. Specifically, discuss and consider health and human services-related legislative proposals of the President for 2009 and 2010. Discuss the reauthorization of the Temporary Assistance for Needy Families (“TANF”) program.

Trade—

- *Priorities of the Office of the United States Trade Representative.* Oversight hearing with the United States Trade Representative to discuss priorities for the 111th Congress and concerns related to international trade. Specifically, discuss and consider trade proposals of the President for 2009 and 2010, including whether the USTR has adequate resources to carry out its mandate with respect to enforcing U.S. trade agreements.

The full Committee intends to conduct additional oversight over the next two years, as becomes necessary to fulfill its oversight responsibilities to the Congress and the American people. The following is a list of further oversight hearings and activities that the six subcommittees of the Committee on Ways and Means (Oversight, Health, Income Security and Family Support, Social Security, Trade, and Select Revenue Measures) anticipate developing during the course of the 111th Congress.

SUBCOMMITTEE ON OVERSIGHT

- *Programs Within the Committee’s Jurisdiction.* Oversight investigations and joint subcommittee hearings on issues requiring periodic or timely oversight review, including waste, fraud, and abuse identified by the U.S. Government Accountability Office (“GAO”) and Inspector General reports for Federal agencies administering programs within the Committee’s jurisdiction.

- *Internal Revenue Service Operations/Administration of Tax Laws.* Oversight of the major Internal Revenue Service (“IRS”) programs, including enforcement, collection (including private debt collection), taxpayer services, returns processing, and information systems. Consider analyses and reports provided to the Congress by the IRS National Taxpayer Advocate, Treasury Inspector General for Tax Administration, and the GAO. Oversight of IRS funding and staffing levels needed to provide taxpayer assistance and enforce the tax laws fairly, effectively, and efficiently. Evaluate tax return filing seasons, including use of paid tax preparers, electronic filing, IRS and volunteer taxpayer assistance programs, and the Free File Program. Discuss proposed funding and staffing levels for the IRS and legislative proposals of the President for 2009 and 2010. Review IRS realignment and closure of service centers and other facilities.

- *Financially Distressed Taxpayers.* Oversight of IRS programs to assist taxpayers experiencing economic difficulties.

- *Delivery of Tax Refunds.* Explore options to maximize and expedite the delivery of Federal tax refunds, including the use of debit cards, prepaid cards, and other electronic means to assist individuals who do not have access to financial accounts or institutions.

- *Tax-Exempt Organizations.* Oversight of Federal tax laws, regulations, and filing requirements that affect tax-exempt organizations, particularly charities and foundations. Examine how the economic downturn has affected these organizations and explore options to assist charities and foundations. Evaluate overall IRS efforts to monitor tax-exempt organizations, identify areas of non-compliance, prevent abuse, and ensure timely disclosure to the public about tax-exempt organization activities and finances.

- *Tax Code and Tax Form Simplification.* Oversight of tax code and tax form complexity, particularly for individuals, with the goal of simplification. Review areas where taxpayers and professional return preparers have difficulty, including the most errors, and consider solutions. Evaluate simplification of information returns to assist taxpayers in determining taxable income.

- *Tax Gap.* Oversight of the \$345 billion annual tax gap, the difference between taxes paid and taxes owed the federal government. Consider the components of the tax gap, causes of taxpayer non-compliance, and possible solutions.

- *Earned Income Tax Credit (“EITC”).* Oversight of IRS programs designed to provide tax assistance to more than 23 million low-income working taxpayers claiming the EITC. Evaluate the participation rates and outreach needed to increase the number of eligible workers who claim the credit.

- *Tax Scams.* Oversight of the latest tax scams and tax fraud activities with a goal of protecting taxpayers and preventing identity theft.

- *Federal Excise Taxes.* Oversight review of Federal excise taxes, credits, and refunds, including the trust funds financed by these taxes.

- *Pensions and Retirement Security.* Oversight review of the financial condition, operations, and governance of the Pension Benefit Guaranty Corporation (“PBGC”), including financial exposure to the PBGC in the pension insurance programs.

SUBCOMMITTEE ON HEALTH

- *Medicare Part A and Part B (Fee-for-Service Providers)*. Oversight of the major Medicare programs to ensure efficient use of resources, quality, and access for Medicare beneficiaries. Specific topics include: adequacy of provider payments, program benefits and cost sharing; the relationship between payment policy and workforce issues (future supply); treatment of specific populations such as people with disabilities and low-income beneficiaries; quality improvement efforts; implementation of recent Medicare legislation; and waste, fraud, and abuse activities.

- *Medicare Part C (Private Plans)*. Oversight of private plans, including: enrollment; value and payments; benefit packages and actuarial equivalence determinations; administrative costs; quality; consumer protection; and marketing and implementation of recent statutory changes affecting private plans.

- *Medicare Part D (Prescription Drug Plans)*. Oversight of the Medicare prescription drug program, including: treatment of dual eligible beneficiaries, low-income subsidy beneficiaries, and nursing home residents; drug pricing; and beneficiary cost sharing, including specialty tiers, bidding process, and premiums.

- *Medicare Entitlement*. Oversight of the effect of program changes on the Medicare Trust Funds, including payments to private plans and Parts B and D premium levels.

- *CMS Administration*. Oversight of CMS, including the adequacy of its budget and staffing, contracting activities, and general agency accountability.

- *Health Insurance Coverage*. Oversight and review of health coverage and the uninsured, including: children, early retirees, and small business employees; adequacy of benefits; COBRA; lack of coverage for various groups; prevalence and use of health savings accounts, the value of accounts, and their influence on broader health care systems and spending; and options to expand and improve coverage and addressing rate of increase in health care costs.

SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT

- *Vulnerable Populations and Poverty*. Provide oversight on the impact that the current recession is having on vulnerable populations, especially those served by programs within the Subcommittee's jurisdiction. Assess proposals that would improve assistance to those most in need, and monitor interventions enacted to achieve that goal. Evaluate the impact of the recession on increasing poverty and consider possible remedies.

- *Welfare Programs*. Provide oversight of and consider proposals to reauthorize the Temporary Assistance for Needy Families ("TANF") program. Examine barriers to providing financial support and services to low-income families with children. Assess how the TANF program addresses the needs of adult beneficiaries who face barriers to employment. Review the role that related programs, such as child care and child support enforcement, play in facilitating economic opportunity for low-income families. Evaluate how the changes in the overall economy have affected the ability of TANF families to achieve self-sufficiency.

- *Unemployment Compensation*. Provide oversight of the Nation's unemployment compensation system, with a particular focus

on providing federally-funded unemployment benefits to long-term unemployed workers, as needed, during the economic downturn. Review potential reforms within the unemployment compensation system that would modernize the program, including reducing the disparities in access to the program for some dislocated workers. Evaluate proposals that would increase economic security for dislocated workers and address the new challenges facing American workers with respect to the recession, changing workforce, and globalization.

- *At-Risk Children.* Provide oversight of the Nation's child welfare system, including foster care, adoption assistance, and child and family programs under Title IVB of the Social Security Act. Review State efforts to implement new statutory and regulatory requirements under the Fostering Connections to Success and Increasing Adoptions Act, including providing assistance to relatives who become legal guardians of children for whom they care for as foster parents, permitting federal foster care assistance to continue up to age 21 for eligible youth, improving the oversight of the health and educational needs of foster children, and providing direct federal foster care and adoption assistance to tribal governments for children in their care. Review proposals designed to improve the financing of child welfare programs to ensure better outcomes for at-risk children and families. Evaluate how States are responding to the increased need for child welfare services that has occurred in some areas during the current recession.

SUBCOMMITTEE ON SOCIAL SECURITY

- *General Oversight of Social Security.* Oversight of the importance of Social Security for American workers and their families; the essential role it plays in assuring economic security for retirees, disabled workers, and survivors; and how best to manage the challenges and opportunities presented by an aging society, given the central role Social Security plays in income security, and the importance of adopting a balanced approach to address those challenges and opportunities that have the support of the American people.

- *Social Security Administration ("SSA").* Oversight of the administrative operations of the Social Security Administration and the agency's stewardship of Social Security programs and taxpayer funds. Among the various areas to examine are SSA's plans to upgrade and modernize its information technology infrastructure and systems architecture, and monitoring their implementation.

- *Service Delivery.* Oversight of the quality of SSA's service to the public through its field offices, telephone services, emerging Internet service delivery, and administration of current benefit provisions. Examine the impact of SSA initiatives to increase the percentage of claims filed over the Internet and to increase automation of claims adjudication, including the impact on accuracy, customer service, and program integrity. Examine the growing demand on SSA by other agencies and state governments for non-program-related data matching arrangements, such as registered voter Social Security Number verification and the Department of Homeland Security's "E-Verify" program, and the impact of these workloads on SSA's ability to perform its core mission.

- *Disability Claims Processing Backlogs.* Oversight of SSA's processing of disability determinations, including SSA's current backlog of more than 1.3 million unprocessed initial claims and appeals requests for disability benefits, and the agency's substantial backlog of continuing disability reviews. Monitor SSA's progress in addressing the disability backlogs and assess the need for additional administrative resources to reduce the backlogs while keeping up with increases in claims. Examine SSA initiatives to modify the disability determination and appeals processes to determine their impact on claimants and on the quality and efficiency of disability decisions.

- *Ticket to Work Program and Related Work Incentives.* Oversight of the implementation and effectiveness of the Ticket to Work program and related Social Security work incentive programs, policies, and demonstration projects. Examine evaluation results from the initial implementation of the Ticket to Work program and assess the effect of recent regulatory reforms and outreach efforts on program participation and effectiveness.

- *Protection of Social Security Beneficiaries from Abusive Financial Practices.* Oversight of whether and how SSA and other federal agencies are enforcing provisions of the Social Security Act prohibiting benefits from being assigned, transferred, or otherwise diverted from the beneficiary in order to collect a private debt or payment. Examine whether non-financial institutions are marketing abusive, high-fee financial arrangements to vulnerable beneficiaries.

- *Social Security Number Protection.* Oversight of the problem of identity theft and misuse of the Social Security number. Consider the role of the Social Security number, the Social Security card, Social Security benefits, and SSA with respect to immigration policy and enforcement.

SUBCOMMITTEE ON TRADE

- *Signed Free Trade Agreements ("FTAs") with Panama, Colombia, and South Korea.* Oversight of the three signed FTAs, with focus on issues that need to be addressed in order for Congressional consideration, including, with respect to the Colombia FTA, issues related to violence against workers and other issues that inhibit the exercise of basic internationally-recognized labor standards, and with respect to the South Korea FTA, issues related to non-tariff market access barriers in the manufacturing and agricultural areas.

- *Implemented FTAs.* Oversight of implemented FTAs involving Peru, Central America/the Dominican Republic ("CAFTA-DR"), Oman, Bahrain, and earlier FTAs with Singapore, Chile, Australia, Morocco, Jordan, the North American Free Trade Agreement ("NAFTA"), and Israel.

- *Other FTA Negotiations.* Oversight of uncompleted FTA negotiations, including with Thailand, Malaysia, United Arab Emirates, the South African Customs Union ("SACU"), Ecuador, and proposed negotiations with the "P-4" countries (Brunei, Chile, New Zealand, and Singapore).

- *Preference Programs.* Oversight of major U.S. trade preference programs such as the Generalized System of Preferences ("GSP"), African Growth and Opportunity Act ("AGOA"), Caribbean Basin

Initiative (“CBI”), Andean Trade Preference Act (“ATPA”), and Haitian Hemispheric Opportunity Through Partnership Encouragement Act (“HOPE I” and “HOPE II”). Evaluate efficacy of programs and options for long-term renewal and reform.

- *Haiti*. Oversight of U.S. preference program’s for Haiti (“HOPE I” and “HOPE II”). Evaluation of proposals to assist Haiti’s economic recovery.

- *World Trade Organization (“WTO”) Negotiations*. Oversight of U.S. goals in the areas of agriculture, manufacturing, services, and trade remedy laws. Evaluation of reasons for current impasse in WTO negotiations, and consideration of proposals to break impasse and achieve meaningful outcome in all areas.

- *WTO Dispute Settlement*. Oversight of the WTO dispute settlement system, including oversight of WTO decisions involving U.S. trade remedy laws.

- *Enforcement*. Oversight of U.S. enforcement of WTO rights and rights under FTAs and other agreements. Evaluation of proposals to strengthen U.S. trade remedy laws and improve U.S. tools as leverage to open foreign markets and other areas. Evaluation of proposals to strengthen border enforcement related to counterfeit imports and import safety. Oversight of administration by the Department of Commerce and U.S. International Trade Commission of U.S. trade remedy laws and USTR’s role in enforcement.

- *China*. Oversight of systemic problems in U.S.-China trade relations, including issues related to China’s continued violation of U.S. intellectual property rights and use of industrial subsidies, and China’s alleged manipulation of its currency, as well as other areas.

- *Europe*. Oversight of the third largest bilateral trade deficit of more than \$100 billion in 2005, as well as sectoral issues, such as Airbus subsidies, discriminatory regulations in high technology transfer and sectors, attempts at technology transfer, discriminatory barriers to U.S. farm exports, European Union (“EU”) practices in the WTO negotiations, and EU practices concerning regional trade agreements.

- *Trade and Developing Countries*. Oversight of U.S. trade relations with developing countries, role of developing countries in the WTO and world trading system, extent to which developing countries have benefitted from the trading system over the past 20 years and, in regard particularly with respect to the least developed countries, why many of these countries have lost ground over the last 20 years and what can be done in the area of trade and aid to reverse this trend.

- *Globalization Adjustment Assistance*. Examine options to improve education, on-the-job training, trade adjustment, and portable health care/pensions, including reform and expansion of the Trade Adjustment Assistance programs for Workers, Firms, and Farmers.

- *Climate Change*. Evaluation of impact of mandatory proposals to reduce U.S. greenhouse gas emissions, including with respect to addressing carbon leakage, domestic and export competitiveness concerns of carbon-intensive industries, and issues related to consistency with international trade rules.

- *Priorities of U.S. Customs and Border Protection*. Oversight hearing with the Customs Commissioner to discuss priorities of the

111th Congress and concerns related to customs revenue functions and trade facilitation, including enforcement of U.S. customs laws and regulations. Specifically, discuss and consider proposals of the President for 2009 and 2010 and other proposals related to CBP's capacity and resources, including personnel resources, to carry out its mandate.

- *Miscellaneous Tariff Bill ("MTB")*. Continue work to complete in the 111th Congress the review of introduced bills and preparation of an omnibus bill, begun in the 110th Congress, in accordance with Committee guidelines and House Rules.

- *Priorities of the United States International Trade Commission*. Oversight hearing to receive information from the Commission concerning overall priorities and operations. Specifically, discuss and consider trade proposals of the President for 2009 and 2010 and inquire as to whether the Commission has adequate resources and technical expertise to carry out its mandate.

SUBCOMMITTEE ON SELECT REVENUE MEASURES

- *Various tax matters*. Oversight of a variety of tax issues and tax legislation, as directed by the Committee Chairman.

This list is not intended to be exclusive. The Committee anticipates that additional oversight hearings and activities will be scheduled as issues arise and as time permits. Also, the Committee's oversight priorities and particular concerns may change as the 111th Congress progresses over the coming two years.

Sincerely,

CHARLES B. RANGEL,
Chairman.

B. ACTIONS TAKEN AND RECOMMENDATIONS MADE WITH REQUEST TO OVERSIGHT PLAN

Subcommittee on Oversight

A. Subcommittee Hearings for 111th Congress

1. Internal Revenue Service Assistance for Taxpayers Experiencing Economic Difficulties.

Actions taken: On February 26, 2009, the Oversight Subcommittee conducted a hearing to review assistance available from the Internal Revenue Service (IRS) to taxpayers experiencing economic difficulties. The Subcommittee discussed the IRS's announcement that its employees would have greater flexibility to assist struggling taxpayers and may be able to adjust payments for back taxes, expedite levy releases, or postpone collections. Further, the Subcommittee discussed IRS efforts to encourage taxpayers to take advantage of new and existing credits (such as the first-time homebuyer credit), deductions, and electronic filing options (such as Free File Fillable Tax Forms) to maximize and expedite refunds. Testimony was heard from the National Taxpayer Advocate (Taxpayer Advocate), an independent official appointed to address taxpayer problems, and the IRS Deputy Commissioner for Services and Enforcement. The Taxpayer Advocate indicated that more action may be warranted to address the problems of struggling taxpayers and noted that the IRS is underutilizing collection alternatives, particularly offers in compromise and partial pay installment agreements.

The Taxpayer Advocate also indicated that determining the tax consequences of cancellation of debt income is difficult for taxpayers. In May 2009, Oversight Subcommittee Chairman Lewis and Ranking Member Boustany introduced the Tax Compromise Improvement Act, H.R. 2343, to repeal the requirement that taxpayers partially pay their tax liability when submitting an application for an offer in compromise. This bill also was included in H.R. 4994, the Taxpayer Assistance Act of 2010, as passed by the House on April 14, 2010. Further, on February 2, 2010, Oversight Subcommittee Chairman Lewis introduced H.R. 4561 to allow a limited exclusion from gross income for income resulting from the discharge of qualified individual indebtedness.

2. Troubled Asset Relief Program: Oversight of Federal Borrowing and the Use of Federal Monies.

Actions taken: On March 19, 2009, the Oversight Subcommittee conducted a hearing on the Troubled Asset Relief Program (TARP) and oversight of Federal borrowing and the use of Federal monies. The hearing included a review of the role of Federal borrowing, the impact of borrowing on the national debt, and protection of public monies. The Subcommittee considered the role of Federal tax compliance in this program and found that thirteen TARP recipients owed over \$220 million in Federal taxes. Testimony was heard from the Special Inspector General for the TARP (SIGTARP) on its oversight activities of the program. Testimony was received from the Acting Comptroller of the United States on its responsibility for the financial audit of TARP and activities undertaken by the U.S. Government Accountability Office (GAO) to increase accountability and transparency. A bill (H.R. 1586) to impose an additional tax on bonuses received from TARP recipients passed the House on March 19, 2009.

3. Internal Revenue Service Operations and Fiscal Year 2010 Budget Proposals.

Actions taken: On June 4, 2009, the Oversight Subcommittee conducted a hearing to review: the IRS fiscal year 2010 budget request of \$12 billion; IRS examination, collection, taxpayer service, and other operations; and the current tax return filing season. Testimony was heard from the IRS Commissioner on efforts to ensure the competency of paid tax return preparers. The Commissioner testified that the IRS continued its efforts to find the appropriate balance between collecting revenue and working with taxpayers who are facing economic difficulties. The Subcommittee learned that inquiries related to the economic stimulus payments resulted in 23 million telephone calls to the IRS. The Subcommittee also learned that small businesses were unexpectedly getting caught up in tax shelter penalties, in certain cases in excess of \$1 million, for engaging in "listed transactions." The Commissioner stated that the penalty needed to be more reasonable. The Small Business Tax Relief Act, H.R. 4068, was introduced by Oversight Subcommittee Chairman Lewis and Ranking Member Boustany in follow-up to the hearing to address the tax shelter penalties imposed on small businesses. This bill was included in H.R. 5297, the Small Business Jobs Act of 2010, which was enacted into law on September 27, 2010 (Public Law No. 111-240).

4. Highway and Transit Investment Needs (Joint Hearing with Select Revenue Measures Subcommittee).

Actions taken: On June 25, 2009, the Subcommittees on Oversight and Select Revenue Measures conducted a joint hearing to review highway and transit investment needs. Testimony was heard from the Department of Transportation's Undersecretary of Policy on the \$5–\$7 billion shortfall expected in the Highway Trust Fund in September 2009: The Lieutenant Governor of Massachusetts testified on the impact of decades of deferred maintenance on the state's transportation infrastructure. The Subcommittees also heard testimony from representatives of the Metropolitan Atlanta Rapid Transit Authority, the U.S. Government Accountability Office, the Information Technology and Innovation Foundation, and the American Road and Transportation Builders Association on infrastructure needs. On July 28, 2009, Chairman Rangel introduced H.R. 3357, a bill to restore \$7 billion previously transferred from the trust fund to the general fund, which was enacted into law on August 7, 2009 (Public Law No. 111–046). In addition, on May 13, 2009, Oversight Chairman Lewis introduced H.R. 2391, the Highway Trust Fund Fairness Act of 2009, to prevent transfers out of the trust fund for repayment of refunds and credits and to allow the trust fund balance to earn interest. This legislation was incorporated into H.R. 2847, Hiring Incentives to Restore Employment Act, which was enacted into law on March 18, 2010 (Public Law No. 111–147).

5. Administration of the First-Time Homebuyer Tax Credit.

Actions taken: On October 22, 2009, the Oversight Subcommittee conducted a hearing on IRS administration of the first-time homebuyer tax credit. The American Recovery and Reinvestment Act of 2009 extended and expanded the 2008 first-time homebuyer credit for homes purchased between January 1, 2009, and December 1, 2009. The Subcommittee found that, as of September 30, 2009, the IRS had identified 167 criminal schemes involving the credit. The Treasury Inspector General for Tax Administration (TIGTA), the IRS Deputy Commissioner for Enforcement, and the Director of Tax Issues for the Government Accountability Office testified on allegations of fraud involving the tax credit and recommended actions to enhance administration of the credit during the 2010 tax return filing season. The Subcommittee learned that hundreds of taxpayers under the age of 18 had claimed the credit as well as taxpayers who had indications of prior home ownership. The Subcommittee also learned that administration of the credit would be enhanced if the IRS was given authority to require documentation to substantiate the claim and to correct errors without a full audit. On October 22, 2009, Oversight Subcommittee Chairman Lewis and Ranking Member Boustany introduced H.R. 3901, the Homebuyer Tax Credit Improvement Act of 2009, which provided the IRS with additional authority to prevent fraudulent claims and claims by minors. This bill was incorporated into H.R. 5623, the Homebuyer Assistance and Improvement Act of 2010 (Homebuyer Assistance Act), which was enacted into law on July 2, 2010 (Public Law No. 111–198). The Homebuyer Assistance Act also included a provision to address fraudulent first-time homebuyer credits by prisoners, an issue identified by TIGTA in a report in follow up to an Oversight Subcommittee hearing.

6. Food Banks and Front-Line Charities: Unprecedented Demand and Unmet Need (Joint Hearing With the Income Security and Family Support Subcommittee).

Actions taken. On November 12, 2009, the Subcommittees on Oversight and Income Security and Family Support conducted a hearing to review the effect of the economic downturn and increased unemployment on the demand for hunger-relief assistance at food banks and other charities. Witnesses representing public and private charities testified that: individuals were seeking food assistance in unprecedented numbers; one-half of food distribution agencies were turning people away; and funding to food service agencies and food banks from all sources had decreased. Witnesses also testified that current tax rules discourage private foundations from giving to their full extent in times of great need. These witnesses asked for the two-tier excise tax on the investment income of private foundations to be simplified to a flat rate excise tax. On November 17, 2010, Oversight Subcommittee Chairman John Lewis, Representative Danny K. Davis, and Select Revenue Measures Subcommittee Ranking Member Patrick J. Tiberi introduced H.R. 4090 to simplify the private foundation two-tier excise tax to a single, flat-tax rate.

7. National Taxpayer Advocate's 2009 Report on the Most Serious Problems Encountered by Taxpayers.

Actions taken. On March 16, 2010, the Oversight Subcommittee conducted a hearing on the National Taxpayer Advocate's 2009 Report to the Congress on the most serious problems encountered by taxpayers, legislative recommendations to address these problems, the most litigated tax issues, and certain research studies. The Taxpayer Advocate testified that she found a need to improve: oversight of the return preparer industry; telephone assistance provided to taxpayers; and the IRS's tax lien policies. Further, the Taxpayer Advocate reported that the needs of low-income taxpayers are not being met, there is a steady decline in the offers-in-compromise program, and the IRS should develop a plan to address its "Pay Refunds First, Verify Eligibility Later" approach to returns processing. On April 15, 2010, the House passed H.R. 4994, the Taxpayer Assistance Act of 2010, introduced by Oversight Chairman Lewis. The bill would ease administrative burdens on taxpayers: by removing cellular telephones from listed property; providing electronic filing exemptions for religious reasons; and removing the partial-pay requirement for offers-in-compromise (H.R. 2343). It also included provisions to assist taxpayers by: allowing the IRS to refer taxpayers to low-income tax clinics; expanding earned income tax credit outreach; and mandating studies on the delivery of tax refunds and timely processing of information returns. The cellular telephone provision was included in H.R. 5297, the Small Business Jobs Act of 2010, which was enacted into law on September 27, 2010 (Public Law No. 111-240).

8. Internal Revenue Service Operations and the 2010 Tax Return Filing Season.

Actions taken. On March 25, 2010, the Oversight Subcommittee conducted a hearing to review overall IRS operations, including the adequacy of taxpayer service, examination and collection activities; efforts to reduce the \$345 billion tax gap; security at IRS facilities; and the Administration's Fiscal Year 2011 budget proposal for the

IRS of \$12.6 billion. The Subcommittee also reviewed the 2010 tax return filing season focusing on the availability of assistance to taxpayers, the most common taxpayer errors and questions, and recent tax refund scams. The IRS Commissioner testified that the filing season was progressing smoothly, fewer returns had been filed but the number of electronically-filed returns had increased, and the availability of telephone service had improved over the prior-year level. The IRS Commissioner testified that the Administration's budget proposal will allow the IRS to address offshore tax evasion, ensure high-income individuals and corporations pay tax, and provide oversight of the tax return preparer community. As noted above, on April 15, 2010, the House passed H.R. 4994, the Taxpayer Assistance Act of 2010, introduced by Oversight Chairman Lewis. The bill would enhance IRS administration by removing cellular telephones from listed property, providing electronic filing exemptions for religious reasons, removing the partial-pay requirement for offers-in-compromise (H.R. 2343), and clarifying the application of the bad check penalty to electronic payments. The cellular telephone provision was included in H.R. 5297, the Small Business Jobs Act of 2010, which was enacted into law on September 27, 2010 (Public Law No. 111-240). The bad check penalty provision was included in H.R. 5623, the Homebuyer Assistance and Improvement Act of 2010, which was enacted into law on July 2, 2010 (Public Law No. 111-198).

9. Alcohol Tax and Trade Bureau's Report on Tobacco Smuggling in the United States.

Actions taken: On May 27, 2010, the Oversight Subcommittee held a hearing on the Department of Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB) report to the Committee on Ways and Means on tobacco smuggling in the United States, which included an estimate on the magnitude of tobacco smuggling (between \$500 million and \$1.5 billion in 2007) and the recommendations made by TTB to reduce smuggling (including working with the Food and Drug Administration on a "track-and-trace" system for tobacco products). The Subcommittee reviewed tobacco smuggling and other compliance issues that have arisen as a result of tax rate and tax law changes contained in the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). The Administrator of TTB discussed how a track-and-trace system could enhance enforcement of tobacco excise taxes. He also testified that increases in the tax rates in CHIPRA created an incentive for tobacco diversion schemes, including a substantial shift in tobacco products from "roll-your-own tobacco" (taxed under CHIPRA at \$24.78 per pound) to "pipe tobacco" (taxed under CHIPRA at \$2.8311 per pound). The Administrator testified that it is difficult to differentiate between pipe tobacco and roll-your-own tobacco, but TTB is in the process of developing analytical methods to differentiate them. The Honorable Lloyd Doggett testified on legislation that he introduced, H.R. 5178, the Smuggled Tobacco Prevention Act of 2010, to provide law enforcement the tools and regulatory flexibility to address billions of dollars in tobacco smuggling, including the use of a track-and-trace system. The Honorable Lloyd Doggett and The Honorable Steven Cohen also introduced H.R. 4439, the Tobacco Tax Parity Act of 2010, to equalize the excise tax rates on pipe tobacco and roll-your-own tobacco.

10. Reducing Fraud, Waste, and Abuse in Medicare (Joint Hearing with the Health Subcommittee).

Actions taken: On June 15, 2010, the Health and Oversight Subcommittees held a hearing on reducing fraud, waste, and abuse in Medicare with a focus on prevention, detection, investigation, and prosecution at the Centers for Medicare and Medicaid Services, the Department of Health and Human Services (HHS), and the Department of Justice. Testimony was heard from Members of Congress, the Chief Counsel for the HHS Inspector General, the Associate Deputy Attorney General, the Director of Health Care for the U.S. Government Accountability Office, and the Director of Medicare Program Integrity at the Centers for Medicare and Medicaid Services. The Subcommittees heard testimony that, in areas that CMS has identified as highly vulnerable to waste, fraud, and abuse (such as durable medical equipment and home health), increased oversight and implementation of additional safeguards are making a difference. Lastly, the Subcommittees heard testimony that the passage of the Affordable Care Act (Public Law No. 111-148) builds on program integrity efforts by providing CMS with important tools and the ability to: improve and streamline its program integrity capabilities and tailor interventions to address problem areas; enhance screening requirements for providers and suppliers throughout Medicare; and provide oversight controls such as payment caps and prepayment reviews of claims for high-risk services. On September 15, 2010, Health Subcommittee Chairman Stark, Oversight Subcommittee Chairman Lewis, Health Subcommittee Ranking Member Herger, and Oversight Subcommittee Ranking Member Boustany introduced H.R. 6130, the Strengthening Medicare Anti-Fraud Measures Act of 2010, which passed the House on September 22, 2010.

11. Immediate Need for Charitable Assistance in the Gulf Coast Region.

Actions taken: On July 20, 2010, the Oversight Subcommittee held a hearing on the immediate need for charitable assistance in the Gulf Coast region. The Subcommittee heard testimony from the President of Catholic Charities USA and the Executive Director of the National Fish and Wildlife Foundation on the escalating demand for charitable assistance to help residents and wildlife in the Gulf Coast region as a result of the BP Deepwater Horizon mobile drilling rig explosion. The Subcommittee learned that the need for social services was growing in the Gulf Coast region. Residents were seeking assistance with food, utilities, housing, clothing, and medical expenses. The Subcommittee also learned that immediate action was necessary outside the spill zone to enhance habitat and food sources for more than 50 million birds that migrate to and through the Gulf Coast. The Subcommittee learned that the oil rig explosion also was impacting charitable giving in the region. Catholic Charities made a number of recommendations to assist residents in the region.

OVERSIGHT REVIEW OF INCOME SECURITY AND FAMILY SUPPORT ISSUES

As indicated in the letter sent to the Committee on Oversight and Government Reform on February 9, 2009, the Subcommittee on Income Security and Family Support conducted a number of

hearings to oversee the impact and effectiveness of a variety of assistance programs and policies within the Committee's jurisdiction.

Vulnerable Populations and Poverty

On October 8, 2009, the Subcommittee on Income Security and Family Support held a hearing to evaluate the response of safety net programs to the recession, including unemployment insurance and TANF.

On November 12, 2009, the Subcommittee held a joint hearing with the Oversight Subcommittee to review the effect of the economic downturn and increased unemployment on the demand for hunger-relief assistance at food banks and other charities.

On June 10, 2010, the Subcommittee on Income Security and Family Support held a hearing on long-term unemployment, with a focus on possible Federal policy responses to long-term unemployment.

The Subcommittee conducted two joint hearings with the Subcommittee on Social Security (on March 24, 2009 and on April 27, 2010) to examine the causes and possible solutions to the backlog of Social Security and SSI disability claims.

Welfare Programs

The Subcommittee on Income Security and Family Support conducted a hearing on the TANF program's role in providing assistance to struggling families on March 11, 2010.

On April 22, 2010, the Subcommittee conducted a hearing to examine the role of education and training in the TANF program.

On June 17, 2010, the Subcommittee held a hearing to review responsible fatherhood programs that are supported with Federal funding.

Unemployment Compensation

On April 23, 2009, the Subcommittee on Income Security and Family Support held a hearing on the implementation of the unemployment insurance (UI) provisions in the Recovery Act, with a focus on the UI modernization, augmentation, and extension provisions in the Act.

On May 6, 2010, the Subcommittee conducted a hearing to review the solvency of the Unemployment Insurance system.

At-Risk Children

On June 9, 2009, the Subcommittee on Income Security and Family Support held a hearing to review proposals to provide Federal funding for early childhood home visitation programs.

On September 15, 2009, the Subcommittee held a hearing to evaluate the implementation of the Fostering Connections to Success and Increasing Adoptions Act, which included new policies designed to help connect foster children to families and to help children who age out of the foster care system.

The Subcommittee held a hearing on July 29, 2010 that reviewed State use of child welfare waiver demonstration projects to promote child well-being.

Subcommittee on Health

1. Medicare payment policy.

Actions Taken: On March 17, 2009 the Subcommittee on Health held a hearing to receive testimony on Medicare payment policies from Medicare Payment Advisory Commission (MedPAC). The information was used in developing certain Medicare payment policies contained in H.R. 3962, the “Affordable Health Care for America Act.”

2. Reducing Fraud, Waste and Abuse.

Actions Taken: On June 15, 2010 the Subcommittee on Health held a joint hearing with the Subcommittee on Oversight to examine efforts to Reduce Fraud, Waste and Abuse in Medicare. The Subcommittees received testimony from Members of Congress and federal agencies. The hearing reviewed the recent efforts of the Centers for Medicare and Medicaid Services, the HHS Office of the Inspector General and the Department of Justice to combat Fraud, Waste and Abuse in Medicare and the new tools and resources available to these agencies to fight fraud contained in the Affordable Care Act. Information gathered at this hearing led to the introduction of H.R. 6130, the “Strengthening Medicare Anti-Fraud Measures Act of 2010,” a bill that provides the HHS Inspector General (IG) the authority to ban corporate executives from doing business with Medicare if their companies were convicted of fraud. It also gives the IG the ability to exclude parent companies that may be committing fraud through shell companies. The bill passed the House by voice vote on September 22, 2010.

3. Health Information Technology.

Actions Taken: On July 20, 2010 the Subcommittee on Health held a hearing on efforts to promote the adoption and meaningful use of health information technology. The Subcommittee received testimony from the Centers for Medicare and Medicaid Services, the Office of the National Coordinator of Health Information Technology and provider and beneficiary representatives. The hearing examined implementation of the HITECH Act, which was contained in the “American Recovery and Reinvestment Act” (ARRA). The Subcommittee focused on the Medicare incentives designed to encourage meaningful use of electronic health records. The Subcommittee will continue to monitor the implementation of the HITECH Act.

4. Health Reform.

Over the course of the 111th Congress, the Full Committee held a series of hearings on selected health reform topics. On March 11, 2009 the Committee held a hearing entitled “Health Reform in the 21st Century: Expanding Coverage, Improving Quality and Controlling Costs,” which focused on the need for comprehensive health reform and key features of a reformed health system. On April 1, 2009 the Committee held a hearing entitled “Health Reform in the 21st Century: Reforming the Health Care Delivery System,” to examine policies to modernize the health delivery system. On April 22, 2009 the Committee held a hearing entitled “Health Reform in the 21st Century: Insurance Market Reforms,” the hearing focused on strategies to reform the health insurance marketplace to ensure greater accessibility and affordability. On April 29th, 2009 the Committee held a hearing entitled “Health Reform in the 21st Century: Employer Sponsored Insurance” that focused on recent trends in employer-sponsored health insurance and strategies to strengthen and build upon job-based coverage in health reform. On May

6th, 2009 the Committee held a hearing entitled “Health Reform in the 21st Century: A Conversation with Health and Human Services Secretary Kathleen Sebelius.” The hearing provided an opportunity for Secretary Sebelius to present the Administration’s principles for health care reform. Information from these hearings helped to inform key sections of H.R. 3200, “America’s Affordable Health Choices Act of 2009,” and ultimately H.R. 3961, the “Medicare Physician Payment Reform Act of 2009,” and H.R. 3962, the “Affordable Health Care for America Act”.

LEGISLATIVE REVIEW OF SOCIAL SECURITY ISSUES

Hearings

A. SUBCOMMITTEE ON SOCIAL SECURITY HEARINGS

a. *Actions Taken:* The Subcommittee on Social Security held eight oversight hearings in the 111th Congress. These hearings include:

1. Joint Hearing on Eliminating the Social Security Disability Backlog—On Tuesday, March 24, 2009, the Subcommittee on Social Security and the Subcommittee on Income Security and Family Support held a hearing focused on the Social Security Administration’s (SSA’s) large backlog in disability claims. The Subcommittees examined the impact of the backlog on applicants with severe disabilities and SSA’s plans for eliminating the backlog, including how the agency intended to use the additional funding that Congress provided for Fiscal Year 2009. The hearing also examined the impact of resource shortages on other agency responsibilities, including SSA’s substantial backlog in program integrity activities, and SSA’s plans for addressing these challenges. The hearing also provided an opportunity for comment on legislative proposals or expiring provisions relating to disability determination.

2. Hearing on the Social Security Administration’s Provisions in the American Recovery and Reinvestment Act of 2009—On Tuesday, April 28, 2009, the Subcommittee on Social Security held an oversight hearing on the progress made by SSA in implementing the American Recovery and Reinvestment Act of 2009 (ARRA, Pub. L. 111–5). The hearing focused on oversight of actions taken by SSA and other involved agencies in using ARRA resources to replace the National Computer Center; SSA’s use of ARRA funding to process recession-driven claims; and the agency’s plans for distributing the \$250 economic recovery payments to over 50 million recipients.

3. Hearing on the Social Security Administration’s Employment Support Programs for Disability Beneficiaries—On Tuesday, May 19, 2009, the Subcommittee on Social Security held a hearing on SSA’s employment support programs for disability beneficiaries, including the Ticket to Work Program. This hearing assessed the impact of SSA’s recent efforts to improve the Ticket to Work program. The hearing also examined the implementation and effectiveness of the Work Incentives Planning and Assistance (WIPA) and the Protection and Advocacy for Beneficiaries of Social Security (PABSS) programs; delays in processing reports of earnings by disability beneficiaries, and SSA’s plan to strengthen its demonstration authority.

4. **Hearing on Clearing the Disability Claims Backlogs: The Social Security Administration's Progress and New Challenges Arising From the Recession**—On Thursday, November 19, 2009, the Subcommittee held a hearing focused on the effect of SSA's unprecedented backlog in disability claims on applicants with disabilities, and the agency's efforts to address these challenges, including SSA's recent progress in reducing its hearing backlog and its plans for addressing the emerging backlog at Disability Determination Services. The hearing also examined the impact of the recession on disability claims processing, including projected claims increases, and the need for adequate resources to reduce the backlogs and adjudicate recession-driven claims.

5. **Joint Oversight Hearing on the Recovery Act Project to Replace the Social Security Administration's National Computer Center**—On Tuesday, December 15, 2009, the Subcommittee held a joint oversight hearing with the House Committee on Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management on the progress made to replace SSA's National Computer Center. ARRA provided \$500 million for SSA to begin the process of replacing its national computer processing and data storage facility, the National Computer Center (NCC), an amount expected to cover the cost of building a new facility and part of the cost of equipping it. The replacement of the NCC is the single largest building project funded under the Recovery Act. The hearing focused on SSA's and U.S. General Services Administration's (GSA) progress to date utilizing ARRA resources to replace the NCC, including the development of requirements for the new center and the process and criteria used to select the site for the new center. The hearing also evaluated SSA's and GSA's management of the potential for unexpected cost and delay. Finally, the hearing examined SSA's preparedness in case of catastrophic failure of the existing NCC, including the role and operational capacity of the recently completed backup data support center in North Carolina.

6. **Oversight Hearing on Social Security Administration Field Office Service Delivery**—On Thursday, April 15, 2010, the Subcommittee held an oversight hearing on SSA's ability to meet its growing workloads and serve the public through its field offices, teleservice centers, and on the Internet; and how those challenges are being managed. The hearing focused on SSA's service delivery challenges arising from the increase in benefit applications due to the recession, an aging society, and prior underfunding; and how SSA planned for and managed these challenges.

7. **Joint Hearing on the Social Security Disability Claims Backlogs**—On Tuesday, April 27, 2010, the Subcommittee on Social Security and the Subcommittee on Income Security and Family Support held a joint hearing to assess SSA's plan to eliminate the backlog of disability hearings by the end of FY 2013 and the advantages and disadvantages of the plan's initiatives. The hearing also examined the rapidly growing backlog at the initial claims level, SSA's plan for addressing this backlog, and the impact of SSA's plan to reinstate the reconsideration level of appeal in Michigan and other states that did not currently have this appeal stage.

8. **Hearing on Social Security at 75 years: More Necessary Now than Ever**—On Thursday, July 15, 2010, the Subcommittee held a

hearing on the continued importance of Social Security for seniors, survivors, and persons with disabilities and their families as the program approaches its 75th anniversary. The hearing focused on the essential role Social Security plays in the well-being of American workers and their families as they face retirement, disability or death of a bread-winner, both now and in the future.

Appendix I. Jurisdiction of the Committee on Ways and Means

A. U.S. CONSTITUTION

Article I, Section 7, of the Constitution of the United States provides as follows:

All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

In addition, Article I, Section 8, of the Constitution of the United States provides the following:

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and . . . To borrow Money on the credit of the United States.

B. RULE X, CLAUSE 1, RULES OF THE HOUSE OF REPRESENTATIVES

Rule X, clause 1(t), of the Rules of the House of Representatives, in effect during the 110th Congress, provides for the jurisdiction of the Committee on Ways and Means, as follows:

(t) Committee on Ways and Means.

(1) Customs revenue, collection districts, and ports of entry and delivery.

(2) Reciprocal trade agreements.

(3) Revenue measures generally.

(4) Revenue measures relating to insular possessions.

(5) Bonded debt of the United States, subject to the last sentence of clause 4(f).

Clause 4(f) requires the Committee on Ways and Means to include in its annual report to the Committee on the Budget a specific recommendation, made after holding public hearings, as to the appropriate level of the public debt that should be set forth in the concurrent resolution on the budget.

(6) Deposit of public monies.

(7) Transportation of dutiable goods.

(8) Tax exempt foundations and charitable trusts.

(9) National Social Security (except health care and facilities programs that are supported from general revenues as opposed to payroll deductions and except work incentive programs).

C. BRIEF DESCRIPTION OF COMMITTEE'S JURISDICTION

The foregoing recitation of the provisions of House Rule X, clause 1, paragraph (t), does not convey the comprehensive nature of the jurisdiction of the Committee on Ways and Means. The following summary provides a more complete description:

(1) Federal revenue measures generally.—The Committee on Ways and Means has the responsibility for raising the revenue re-

quired to finance the Federal Government. This includes individual and corporate income taxes, excise taxes, estate taxes, gift taxes, and other miscellaneous taxes.

(2) The bonded debt of the United States.—The Committee on Ways and Means has jurisdiction over the authority of the Federal Government to borrow money. Title 31 of Chapter 31 of the U.S. Code authorizes the Secretary of the Treasury to conduct any necessary public borrowing subject to a maximum limit on the amount of borrowing outstanding at any one time. This statutory limit on the amount of public debt (“the debt ceiling”) currently is \$11.315 trillion. The Committee’s jurisdiction also includes conditions under which the U.S. Department of the Treasury manages the Federal debt, such as restrictions on the conditions under which certain debt instruments are sold.

(3) National Social Security programs.—The Committee on Ways and Means has jurisdiction over most of the programs authorized by the Social Security Act, which includes not only those programs that are normally referred to colloquially as “Social Security” but also social insurance programs and a whole series of grant-in-aid programs to State governments for a variety of purposes. The Social Security Act, as amended, contains 21 titles (a few of which have either expired or have been repealed). The principal programs established by the Social Security Act and under the jurisdiction of the Committee on Ways and Means in the 110th Congress can be outlined as follows:

(a) Old-age, survivors, and disability insurance (Title II)—At present, there are approximately 164 million workers in employment covered by the program, and for calendar year 2007, \$585 billion in benefits were paid almost 50 million individuals.

(b) Medicare (Title XVIII)—Provides hospital insurance benefits to 35.2 million persons over the age of 65 and to 6.7 million disabled persons. Voluntary supplementary medical insurance is provided to 33.7 million aged persons and 6 million disabled persons. Total program outlays under these programs were \$330 billion in 2005.

(c) Supplemental Security Income (SSI) (Title XVI)—The SSI program was inaugurated in January 1974 under the provisions of P.L. 92–603, as amended. It replaced the former Federal-State programs for the needy aged, blind, and disabled. In January 2006, 6.9 million individuals received Federal SSI benefits on a monthly basis. Of these 6.9 million persons, approximately 1.1 million received benefits on the basis of age, and 5.8 million on the basis of blindness or disability. Federal expenditures for cash SSI payments in 2005 totaled \$36 billion, while State expenditures for federally administered SSI supplements totaled \$5.1 billion.

(d) Temporary Assistance for Needy Families (TANF) (part A of Title IV)—The TANF program is a block grant of about \$16.5 billion dollars awarded to States to provide income assistance to poor families, to end dependency on welfare benefits, to prevent nonmarital births, and to encourage marriage, among other purposes. In most cases, Federal TANF benefits for individuals are limited to 5 years and individuals must work to maintain their eligibility. In June 2006, about 1.8 mil-

lion families and 4.1 million individuals received benefits from the TANF program.

(e) Child support enforcement (part D of Title W)—In fiscal year 2003 Federal administrative expenditures totaled \$5.2 billion for the child support enforcement program. Child support collections for that year totaled \$21.2 billion.

(f) Child welfare, foster care, and adoption assistance (parts B and E of Title IV)—Titles IV B and E provide funds to States for child welfare services for abused and neglected children; foster care for children who meet Aid to Families with Dependent Children eligibility criteria; and adoption assistance for children with special needs. In fiscal year 2005, Federal expenditures for child welfare services totaled \$702 million. Federal expenditures for foster care and adoption assistance were approximately \$6.7 billion.

(g) Unemployment compensation programs (Titles III, IX, and XII)—These titles authorize the Federal-State unemployment compensation program and the permanent extended benefits program. Between July 1, 2005, and June 30, 2006, an estimated \$30.3 billion was paid in unemployment compensation, with approximately 7.4 million workers receiving unemployment compensation payments.

(h) Social services (Title XX)—Title XX authorizes the Federal Government to reimburse the States for money spent to provide persons with various services. Generally, the specific services provided are determined by each State. In fiscal year 2005, \$1.7 billion was appropriated. These funds are allocated on the basis of population.

(4) Trade and tariff legislation.—The Committee on Ways and Means has responsibility over legislation relating to tariffs, import trade, and trade negotiations. In the early days of the Republic, tariff and customs receipts were major sources of revenue for the Federal Government. As the Committee with jurisdiction over revenue-raising measures, the Committee on Ways and Means thus evolved as the primary Committee responsible for international trade policy.

The Constitution vests the power to levy tariffs and to regulate international commerce specifically in the Congress as one of its enumerated powers. Statutes including the Reciprocal Trade Agreements Acts beginning in 1934, Trade Expansion Act of 1962, Trade Act of 1974, Trade Agreements Act of 1979, Trade and Tariff Act of 1984, Omnibus Trade and Competitiveness Act of 1988, North American Free Trade Agreement (NAFTA) Implementation Act, Uruguay Round Agreements Act, and Trade Act of 2002 provide the basis for U.S. bargaining with other countries to achieve the mutual reduction of tariff and nontariff trade barriers under reciprocal trade agreements.

The Committee's jurisdiction includes the following authorities and programs:

(a) The tariff schedules and all tariff preference programs, such as the General System of Preferences and the Caribbean Basin Initiative;

(b) Laws dealing with unfair trade practices, including the antidumping law, countervailing duty law, section 301, and section 337;

(c) Other laws dealing with import trade, including section 201 (escape clause), section 232 national security controls, section 22 agricultural restrictions, international commodity agreements, textile restrictions under section 204, and any other restrictions or sanctions affecting imports;

(d) General and specific trade negotiating authority, as well as implementing authority for trade agreements and the grant of normal-trade-relations (NTR) status;

(e) General and NAFTA-related TAA programs for workers, and TAA for firms;

(f) Customs administration and enforcement, including rules of origin and country-of-origin marking, customs classification, customs valuation, customs user fees, and U.S. participation in the World Customs Organization (WCO);

(g) Trade and customs revenue functions of the Department of Homeland Security and the Department of the Treasury.

(h) Authorization of the budget for the International Trade Commission (ITC), functions of the Department of Homeland Security under the Committee's jurisdiction, and the Office of the U.S. Trade Representative (USTR).

D. REVENUE ORIGINATING PREROGATIVE OF THE HOUSE OF REPRESENTATIVES

The Constitutional Convention debated adopting the British model in which the House of Lords could not amend revenue legislation sent to it from the House of Commons. Eventually, however, the Convention proposed and the States later ratified the Constitution providing that "All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills." (Article 1, Section 7, clause 1.)

In order to pass constitutional scrutiny under this "origination clause," a tax bill must be passed first by the House of Representatives. After the House has completed action on a bill and approved it by a majority vote, the bill is transmitted to the Senate for formal action. The Senate may have already reviewed issues raised by the bill before its transmission. For example, the Senate Committee on Finance frequently holds hearings on tax legislative proposals before the legislation embodying those proposals is transmitted from the House of Representatives. On occasion, the Senate will consider a revenue bill in the form of a Senate or "S." bill, and then await passage of a revenue "H.R." bill from the House. The Senate then will add or substitute provisions of the "S." bill as an amendment to the "H.R." bill and send the "H.R." bill back to the House of Representatives for its concurrence or for conference on the differing provisions.

E. THE HOUSE'S EXERCISE OF ITS CONSTITUTIONAL PREROGATIVE: "BLUE SLIPPING"

When a Senate bill or amendment to a House bill infringes on the constitutional prerogative of the House to originate revenue measures, that infringement may be raised in the House as a matter of privilege. That privilege has also been asserted on a Senate amendment to a House amendment to a Senate bill (see 96th Con-

gress, 1st Session, November 8, 1979, Congressional Record p. H10425).

Note that the House in its sole discretion may determine that legislation passed by the Senate infringes on its prerogative to originate revenue legislation. In the absence of such determination by the House, the Federal courts are occasionally asked to rule a certain revenue measure to be unconstitutional as not having originated in the House (see *U.S. v. Munoz-Flores*, 495 U.S. 385 (1990)).

Senate bills or amendments to non-revenue bills infringe on the House's prerogative even if they do not raise or reduce revenue. Such infringements are referred to as "revenue affecting." Thus, any import ban which could result in lost customs tariffs must originate in the House (100th Congress, 1st Session, July 30, 1987 100th Congress, 2d Session, June 16, 1988, Congressional Record p. H4356).

Offending bills and amendments are returned to the Senate through the passage in the House of a House Resolution which states that the Senate provision: "in the opinion of the House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privilege of the House and that such bill be respectfully returned to the Senate with a message communicating this resolution" (e.g., 100th Congress, 1st Session, July 30, 1987, Congressional Record p. H6808). This practice is referred to as "blue slipping" because the resolution returning the offending bill to the Senate is printed on blue paper.

In other cases, the Committee of the Whole House has passed a similar or identical House bill in lieu of a Senate bill or amendment (e.g., 91st Congress, 2d Congress, May 11, 1970, Congressional Record pp. H14951-14960). The Committee on Ways and Means has also reported bills to the House which were approved and sent to the Senate in lieu of Senate bills (e.g., 93d Congress, 1st Session, November 6, 1973, Congressional Record pp. 36006-36008). In other cases, the Senate has substituted a House bill or delayed action on its own legislation to await a proper revenue affecting bill or amendment from the House (see 95th Congress, 2d Session, September 22, 1978, Congressional Record p. H30960; January 22, 1980, Congressional Record p. S107).

Any Member may offer a resolution seeking to invoke Article I, Section 7. However, the determination that a bill violates the Origination Clause has been traditionally made by Members of the Committee on Ways and Means, and the resolution has been offered by the Chairman or another Member of the Committee on Ways and Means. Because Article I, Section 7 involves the privileges of the House, a blue-slip resolution offered by the Chairman or other Members of the Committee on Ways and Means has been typically adopted by voice vote on the House Floor. There have been instances where the House has agreed to not deal directly with the issue by tabling a resolution.^{1,2}

¹In cases where the Chairman of the Committee on Ways and Means did not believe that the bill in question violated the Origination Clause or the objection had been dealt with in an

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 111TH CONGRESS CHRONOLOGICAL LIST

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article I)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
111th Congress:	
H. Res. 1653, Mr. Levin September 23, 2010	On August 5, 2010, the Senate passed H.R. 5875, “Emergency Border Supplemental Appropriations Act, 2010” with an amendment. Contained in this legislation was a provision that requires certain employers to pay a surcharge with respect to each application for a worker visa. The proposed surcharge constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
	On March 26, 2010, the Senate passed S. 3162. Contained in this legislation was an amendment to the Internal Revenue Code of 1986, as amended, to clarify the health care provided by the Secretary of Veterans Affairs constitutes minimum essential coverage. The proposed amendment to the Internal Revenue Code constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
	On March 25, 2010, the Senate passed S. 3187, “Federal Aviation Administration Extension Act of 2010.” Contained in this legislation were extensions of fuel and ticket taxes that fund the Airport and Airway Trust Fund. These proposed extensions of taxes constituted revenue measures in the constitutional sense because they would have had a direct impact on Federal revenues.
	On January 28, 2010, the Senate passed S. 2799, “Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2009.” Contained in this legislation was a provision banning the importation of imports from Iran. The proposed change in the import laws constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
	On August 9, 2009, the Senate passed S. 1023, “Travel Promotion Act of 2009.” Contained in this legislation was a provision requiring users of the government’s visa waiver program to pay a surcharge. The proposed surcharge constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
	On July 20, 2009, the Senate passed S. 951, “New Frontier Congressional Gold Medal Act.” Contained in this legislation was a provision allowing the Secretary of the Treasury to sell commemorative coins celebrating the 40th anniversary of the first landing on the moon. The proposed sale of these coins would have constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
107th Congress:	
H. Res. 240, Mr. Thomas September 20, 2001	On September 13, 2001, the Senate passed H.R. 2500, “Making appropriations for the U.S. Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes” with an amendment. Contained in this legislation was a provision banning the importation of diamonds not certified as originating outside conflict zones. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.
106th Congress:	
H. Res. 645, Mr. Crane October 24, 2000	On October 17, 2000, the Senate passed S. 1109, the Bear Protection Act of 1999. This legislation would have conserved global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.

other manner, resolutions offered by other Members of the House have been tabled. [See adoption of motion by Representative Rostenkowski to table H. Res. 571, 97–2, p. 22127.]

²This was an instance where the Chairman of the Committee on Ways and Means raised a question of the privilege of the House pursuant to Article I, Section 7, of the U.S. Constitution on H.R. 4516, Legislative Branch Appropriations. The motion was laid on the table.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 111TH CONGRESS CHRONOLOGICAL LIST—
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article I)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 394, Mr. Weller November 18, 1999	On November 3, 1999, the Senate passed S. 1232, Federal Erroneous Retirement Coverage Corrections Act. This legislation would have provided that no Federal retirement plan involved in the corrections under the bill would fail to be treated as a tax-qualified retirement plan by reason of the correction, and that any fund transfers or government contributions resulting from the corrections would have no impact on the tax liability of individuals. These changes constituted a revenue measure in the constitutional sense because they would have had a direct impact on Federal revenues.
H. Res. 393, Mr. Weller November 18, 1999	On February 24, 1999, the Senate passed S. 4, the Soldiers', Sailors', Airmen', and Marines' Bill of Rights Act of 1999. The legislation would have allowed members of the Armed Forces to participate in the Federal Thrift Savings Program and to avoid the tax consequences that would otherwise have resulted from certain contributions in excess of the limitations imposed in the Internal Revenue Code. This proposed exemption therefore constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
H. Res. 249, Mr. Portman July 16, 1999	On May 20, 1999, the Senate passed S. 254, the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999. The legislation would have had the effect of banning the import of large capacity ammunition feeding devices. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.
105th Congress:	
H. Res. 601, Mr. Crane October 15, 1998	On October 8, 1998, the Senate passed S. 361, the Tiger and Rhinoceros Conservation Act of 1998. This legislation would have had the effect of creating a new basis and mechanism for applying import restrictions for products intended for human consumption or application containing (or labeled as containing) any substance derived from tigers or rhinoceroses. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.
H. Res. 379, Mr. Ensign March 5, 1998	On April 15, 1997, the Senate passed S. 104, the Nuclear Waste Policy Act of 1997. This legislation would have repealed a revenue provision and replaced it with a user fee. The revenue provision in question was a fee of 1 mill per kilowatt hour of electricity generated by nuclear power imposed by the Nuclear Waste Policy Act of 1982. The proposed user fee in the legislation would have been limited to the amount appropriated for nuclear waste disposal. The original fee was uncapped, and, in fact, because the fees collected exceeded the associated costs, it was being used as revenue to finance the Federal Government generally. Its proposed repeal, therefore, constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
104th Congress:	
H. Res. 554, Mr. Crane September 28, 1996	On June 30, 1996, the Senate passed H.R. 400, the Anaktuvuk Pass Land Exchange and Wilderness Redesignation Act of 1995, with an amendment. Section 204(a) of the Senate amendment would have overridden existing tax law by expanding the definition of actions not subject to Federal, State, or local taxation under the Alaska Native Claims Settlement Act. These changes constituted a revenue measure in the constitutional sense because they would have had a direct impact on Federal revenues.
H. Res. 545, Mr. Archer September 27, 1996	On September 25, 1996, the Senate passed S. 1311, the National Physical Fitness and Sports Foundation Establishment Act. Section 2 of the bill would have waived the application of certain rules governing recognition of tax-exempt status for the foundation established under this legislation. This exemption constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 111TH CONGRESS CHRONOLOGICAL LIST—
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article I)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 402, Mr. Shaw April 16, 1996	On January 26, 1996, the Senate passed S. 1463, to amend the Trade Act of 1974. The bill would have changed the authority and procedure for investigations by the ITC for certain domestic agricultural products. Such investigations are a predicate necessary for achieving access to desired trade remedies that the President may order, such as tariff adjustments, tariff-rate quotas, quantitative restrictions, or negotiation of trade agreements to limit imports. By creating a new basis and mechanism for import restrictions under authority granted to the President, the bill constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
H. Res. 387, Mr. Crane March 21, 1996	On February 1, 1996, the Senate passed S. 1518, repealing the Tea Importation Act of 1897. Under existing law in 1996, it was unlawful to import substandard tea, except as provided in the HTS. Changing import restrictions constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
103d Congress:	
H. Res. 577, Mr. Gibbons October 7, 1994	On October 3, 1994, the Senate passed S. 1216, the Crow Boundary Settlement Act of 1994. The bill would have overridden existing tax law by exempting certain payments and benefits from taxation. These exemptions constituted a revenue measure in the constitutional sense because they would have had a direct impact on Federal revenues.
H. Res. 518, Mr. Gibbons August 12, 1994	On July 20, 1994, the Senate passed H.R. 4554, the Agriculture and Rural Development Appropriations Act for fiscal year 1995, with amendments. Senate amendment 83 would have provided authority for the Food and Drug Administration (FDA) to collect fees to cover the costs of regulation of products under their jurisdiction. However, these fees were not limited to covering the cost of specified regulatory activities, and would have been charged to a broad cross-section of the public (rather than been limited to those who would have benefited from the regulatory activities) to fund the cost of the FDA's activities generally. These fees constituted a revenue measure in the constitutional sense because they were not based on a direct relationship between their level and the cost of the particular government activity for which they would have been assessed, and would have had a direct impact on Federal revenues.
H. Res. 487, Mr. Gibbons July 21, 1994	On May 25, 1994, the Senate passed S. 1030, the Veterans Health Programs Improvement Act of 1994. A provision in the bill would have exempted from taxation certain payments made on behalf of participants in the Education Debt Reduction Program. This provision constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
H. Res. 486, Mr. Gibbons July 21, 1994	On May 29, 1994, the Senate passed S. 729, to amend the Toxic Substances Control Act. Title I of the bill included several provisions to prohibit the importation of specific categories of products which contained more than specified quantities of lead. By establishing these import restrictions, the bill constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
H. Res. 479, Mr. Rangel July 14, 1994	On June 22, 1994, the Senate passed H.R. 4539, the Treasury, Postal Service, and General Government Appropriations Act for fiscal year 1995, with amendments. Senate amendment 104 would have prohibited the Treasury from using appropriations to enforce the Internal Revenue Code requirement for the use of undyed diesel fuel in recreational motorboats. This prohibition, therefore, constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
102d Congress:	
H. Res. 373, Mr. Rostenkowski ... February 25, 1992	On August 1, 1991, the Senate passed S. 884 amended, the Driftnet Moratorium Enforcement Act of 1991; This legislation would require the President to impose economic sanctions against countries that fail to eliminate large-scale driftnet fishing. Foremost among the sanction provisions are those which impose a ban on certain imports into the United States from countries which continue to engage in driftnet fishing on the high seas after a certain date. These changes in our tariff laws constitute a revenue measure in the constitutional sense, because they would have a direct effect on customs revenues.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 111TH CONGRESS CHRONOLOGICAL LIST—
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article I)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 267, Mr. Rostenkowski ... October 31, 1991	On February 20, 1991, the Senate passed S. 320, to reauthorize the Export Administration Act of 1979. This legislation contains several provisions which impose, or authorize the imposition of, a ban on imports into the United States. Among the provisions containing import sanctions are those relating to certain practices by Iraq, the proliferation and use of chemical and biological weapons, and the transfer of missile technology. These changes in our tariff laws constitute a revenue measure in the constitutional sense, because they would have a direct effect on customs revenues.
H. Res. 251, Mr. Russo	On July 11, 1991, the Senate passed S. 1241, the Violent Crime Act of 1991. This legislation contains several amendments to the Internal Revenue Code. Section 812(f) provides that the police corps scholarships established under the bill would not be included in gross income for tax purposes. In addition, sections 1228, 1231, and 1232 each make amendments to the Tax Code with respect to violations of certain firearms provisions. Finally, Title VII amends section 922 of Title VIII of the U.S. Code, making it illegal to transfer, import or possess assault weapons. These changes in our tariff and tax laws constitute revenue measures in the constitutional sense, because they would have an immediate impact on revenues anticipated by U.S. Customs and the Internal Revenue Services.
101st Congress:	
H. Res. 287, Mr. Cardin	On August 4, 1989, the Senate passed S. 686, the Oil Pollution Liability and Compensation Act of 1989. This legislation contained a provision which would have allowed a credit against the oil spill liability tax for amounts transferred from the Trans-Alaska Pipeline Trust Fund to the Oil Spill Liability Trust Fund.
Nov. 9, 1989	
H. Res. 177, Mr. Rostenkowski ... June 15, 1989	On Apr. 19, 1989, the Senate passed S. 774, the Financial Institution Reform, Recovery and Enforcement Act of 1989. This legislation would create two corporations to administer the financial assistance under the bill: the Resolution Trust Corporation and the Resolution Financing Corporation. S. 774 would have conferred tax-exempt status to these two corporations. Without these two tax provisions, these two corporations would be taxable entities under the Federal income tax.
100th Congress:	
H. Res. 235, Mr. Rostenkowski ... July 30, 1987	On Mar. 30, 1987, the Senate passed S. 829, legislation which would authorize appropriations for the ITC, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1988, and for other purposes. In addition, the bill contained a provision relating to imports from the Soviet Union which amends provisions of the Tariff Act of 1930.
H. Res. 474, Mr. Rostenkowski ... June 16, 1988 (see also H.R. 3391).	On Oct. 6, 1987, the Senate passed S. 1748, legislation which would prohibit the importation into the United States of all products from Iran. (The House passed H.R. 3391, which included similar provisions, on Oct. 6, 1987.)
H. Res. 479, Mr. Rostenkowski ... June 21, 1988 (see also H.R. 2792 and H.R. 4333).	On May 13, 1987, the Senate passed S. 727, legislation which would clarify Indian treaties and Executive orders with respect to fishing rights. This legislation dealt with the tax treatment of income derived from the exercise of Indian treaty fishing rights. (The House passed H.R. 2792, which included similar provisions, on June 20, 1988, under suspension of the rules and was enacted into law as part of P.L. 100-647, H.R. 4333.)
H. Res. 544, Mr. Rostenkowski ... Sept. 23, 1988 (see also H.R. 1154).	On Sept. 9, 1988, the Senate passed S. 2662, the Textile and Apparel Trade Act of 1988. This legislation would impose global import quotas on textiles and footwear products.
H. Res. 552, Mr. Rostenkowski ... Sept. 28, 1988	On Sept. 9, 1988, the Senate passed S. 2763, the Genocide Act of 1988. This legislation contained a ban on the importation of all oil and oil products from Iraq.
H. Res. 603, Mr. Rostenkowski ... Oct. 21, 1988	On Mar. 30, 1988, the Senate passed S. 2097, the Uranium Mill Tailings Remedial Action Amendments of 1987. This legislation would establish a Federal fund to assist in the financing of reclamation and other remedial action at currently active uranium and thorium processing sites and would increase the demand for domestic uranium. The fund would be financed in part by what are called "mandatory fees" which are equal to \$22 per kilogram for uranium contained in fuel assemblies initially loaded into civilian nuclear power reactors during calendar years 1989-1993. In addition, S. 2097 would impose charges on domestic utilities that use foreign-source uranium in new fuel assemblies loaded in their nuclear reactors.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 111TH CONGRESS CHRONOLOGICAL LIST—
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article I)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 604, Mr. Rostenkowski ... Oct. 21, 1988	On Aug. 8, 1988, the Senate passed H.R. 1315, legislation which would authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989. Title IV of the legislation would, among other things, establish a Federal fund to assist in the financing of reclamation and other remedial action at currently active uranium and thorium processing sites and would assist the domestic uranium industry by increasing the demand for domestic uranium. The fund would be financed in part by what are called "mandatory fees" equal to \$72 per kilogram of uranium contained in fuel assemblies initially loaded into civilian nuclear power reactors on or after Jan. 1, 1988. These fees would be paid by licensees of civilian nuclear power reactors and would be in place until \$1 billion had been raised.
99th Congress:	
H. Res. 283, Mr. Rostenkowski ... Oct. 1, 1985	On Sept. 26, 1985, the Senate passed S. 1712, legislation which would extend the 16-cents-per-pack cigarette excise tax rate for 45 days, through Nov. 14, 1985. (The House passed H.R. 3452, which included a similar extension, on Sept. 30, 1985.)
H. Res. 562, Mr. Rostenkowski ... Sept. 25, 1986	The Senate passed S. 638, legislation to provide for the sale of Conrail to the Norfolk Southern Railroad. The legislation contained numerous provisions relating to the tax treatment of the sale of Conrail.
98th Congress:	
H. Res. 195, Mr. Rostenkowski ... June 17, 1983	On Apr. 21, 1983, the Senate passed S. 144, a bill to insure the continued expansion of international market opportunities in trade, trade in services and investment for the United States, and for other purposes.

F. PREROGATIVE UNDER THE RULES OF THE HOUSE OVER "REVENUE MEASURES GENERALLY"

In the House of Representatives, tax legislation is initiated by the Committee on Ways and Means. The Committee's exclusive prerogative to report "revenue measures generally" is provided by Rule X(1)(t) of the Rules of the House of Representatives. The jurisdiction of the Committee on Ways and Means under Rule X(1)(t) is protected through the exercise of Rule XXI(5)(a) which states:

A bill or joint resolution carrying a tax or tariff measure may not be reported by a committee not having jurisdiction to report tax or tariff measures, and an amendment in the House or proposed by the Senate carrying a tax or tariff measure shall not be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A point of order against a tax or tariff measure in such a bill, joint resolution, or amendment thereto may be raised at any time during pendency of that measure for amendment.

Based on the precedents of the House, especially those involving Rule XXI(5)(a), the following statements can be made concerning points of order made under the rule.

1. *Timeliness.* The point of order can be raised at any point during consideration of the bill. However, that section of the bill in which the "tax or tariff" provision lies must either have been previously read or currently open for amendment. A point of order may not be raised after the Committee of the Whole has risen and reported the bill to the House. A point of order against an amendment must be made prior to its adoption.

2. *Effect.* If a point of order is sustained, the effect is that the provision in the bill or amendment is automatically deleted.

3. *Substance over form.* A provision need not involve an amendment to the Internal Revenue Code or the Harmonized Tariff Schedule in order to be determined to be a “tax or tariff” provision.

4. *Revenue decreases and increases.* A provision need not raise revenue in order to be found to be a “tax or tariff measure.” Provisions which would have the effect of decreasing revenues are also covered by the rule. Similarly, provisions which could have a revenue effect have been determined to be covered by the rule.

The following is a detailed listing of each of the occasions on which points of order have been sustained:

G. POINTS OF ORDER—HOUSE RULE XXI CHRONOLOGICAL LIST

June 28, 2007

H.R. 2829, Financial Services and General Government Appropriations Act, 2008

A point of order was raised against Section 106 of the bill, which would have limited funds to the IRS for the purpose of renewing, extending, administering, implementing or enforcing any qualified tax collection contract. Mr. Serrano conceded the point of order. The point of order was sustained, and the provision was stricken from the bill. [110–1, H7352]

June 13, 2006

H.R. 5576, Transportation, Treasury, Housing and Urban Development, the Judiciary, and Related Agencies Appropriations Act, 2007

A point of order was raised against Section 206 of the bill, which would have limited funds to the IRS and prohibit its ability to provide and tax preparation software or online tools.

The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [109–2, H3849–3850]

June 14, 2006

H.R. 5576, Transportation, Treasury, Housing and Urban Development, the Judiciary, and Related Agencies Appropriations Act, 2007

A point of order was raised against an amendment offered by Representative Tiahrt, which would have limited funds to the IRS and prohibit its ability to provide and tax preparation software or online tools.

Representative Tiahrt withdrew his amendment. [109–2, H3930]

May 23, 2006

H.R. 5384, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2007

A point of order was raised against an amendment offered by Representative DeLauro, which would have increased the bill’s appropriation for waste and water grant programs by \$689 million

and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–2, H3063]

May 19, 2006

H.R. 5385, Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2007

Points of order were raised against three amendments offered by Representatives Edwards, Farr, and Obey, which would have raised taxes to offset program funding increases. The chair ruled that these provisions proposed to change existing law and constituted legislation on an appropriations bill and, therefore, violated clause 2 of Rule XXI. The points of order were sustained, and the amendments were not in order. [109–2, H2922–2931]

June 30, 2005

H.R. 3058, Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006

A point of order was raised against an amendment offered by Representative Simmons, which would have limited the use of funds to enter into, implement, or provide oversight of contracts between the Secretary of the Treasury, or his designee, and private collection agencies. Representative Simmons withdrew his amendment. [109–1, H3640]

June 29, 2005

H.R. 3058, Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006

A point of order was raised against section 218 of the bill, which would direct the Secretary of the Treasury to submit to the Committees on Appropriations a report defining currency manipulation and what actions would be construed as another nation manipulating its currency, and describing how statutory provisions addressing currency manipulation by America's trading partners contained in, and relating to, title 22 U.S.C. 5304, 5305, and 286y can be better clarified administratively to provide for improved and more predictable evaluation. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [109–1, H5422]

June 14, 2005

H.R. 2862, Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006

A point of order was raised against an amendment offered by Representative Obey, which would have increased funding for the EDA by \$53 million and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–1, H4437]

May 26, 2005

H.R. 2528, Military Quality of Life and Veterans Affairs Appropriations Act, 2006

A point of order was raised against an amendment offered by Representative Obey, which would have increased the bill's appropriation for veterans medical care by \$2.6 billion and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–1, H4106]

May 19, 2005

H.R. 2361, Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006

A point of order was raised against an amendment offered by Representative Obey, which would have increased the bill's appropriation for the Clean Water State Revolving Fund by \$500,000 and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–1, H3640]

May 17, 2005

H.R. 2360, Department of Homeland Security Appropriations Act, 2006

A point of order was raised against an amendment offered by Representative Obey, which would have increased the bill's appropriation for Customs and Border Protection and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–1, H3398]

September 14, 2004

H.R. 5025, Transportation, Treasury, and Independent Agencies Appropriations Act, 2005

A point of order was raised against section 644 of the bill, which would have amended section 6402 of the Internal Revenue Code of 1986 by adding a new subsection that allows for the offset of federal tax refunds to collect delinquent state unemployment compensation overpayments. The chair ruled that the provision was in

violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [108–2, H7176]

September 14, 2004

H.R. 5025, Transportation, Treasury, and Independent Agencies Appropriations Act, 2005

A point of order was raised against section 643 of the bill, which would have amended section 453(j) of the Social Security Act to allow access to data in the National Directory of New Hires for use in collecting delinquent non-tax federal debt. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [108–2, H7176]

September 14, 2004

H.R. 5025, Transportation, Treasury, and Independent Agencies Appropriations Act, 2005

A point of order was raised against section 642 of the bill, which would have amended Title 31 of the U.S. Code to allow the Federal Government to collect debts that are more than 10 years old by withholding federal tax refunds or garnishing Social Security benefits. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [108–2, H7176]

September 9, 2004

H.R. 5006, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2005

A point of order was raised against an amendment offered by Representative Brown (OH), which would have stopped the increase of Part B Medicare premiums, effectively leaving them at their current dollar amount. The chair ruled that the provision would provide new budget authority in excess of the suballocation provided by the Appropriations Committee, and therefore violated section 302(f) of the Congressional Budget Act of 1974. The point of order was sustained, and the amendment was not in order. [108–2, H6945]

September 8, 2004

H.R. 5006, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2005

A point of order was raised against section 219(b) of the bill, which created a Medicare claims processing fee for duplicative or incorrect claims for Medicare Part A or B services. The chair ruled that the provision was in violation of Rule XXI. The point of order was conceded, sustained, and the provision was stricken from the bill. [108–2, H6836]

June 18, 2004

H.R. 4567, Department of Homeland Security Appropriations Act, 2005

A point of order was raised against an amendment offered by Representative Sherman, which would have limited the funds made available in this Act for processing the importation of any article which is the product of Iran. The chair ruled that the provision was in violation of clause 5(a) of Rule XXI. The point of order was sustained, and the amendment was not in order. [108–2, p. H4551]

July 10, 2003

H.R. 2660, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2004

A point of order was raised against section 217(B) of the bill, which created a Medicare Claims Processing fee. An October 1, 2003, requirement assured a policy for providers to submit all Medicare claims electronically. Since most electronic billing systems eliminate inaccurate and duplicate claims, and because current law provided the proper small business exemption, the user fee was unnecessary. The chair ruled that the provision was in violation of Rule XXI, clause 2(b). The point of order was conceded, sustained, and the provision was stricken from the bill. [108–1, p. H6560]

July 10, 2003

H.R. 2660 Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 2004

A point of order was raised against an amendment offered by Representative Obey, which would have provided a 1-percentage add-on to the Federal assistance to every State for their Medicaid programs. This would have been paid for through a reduction in the size of the tax cut for persons who make more than \$1 million a year. The chair ruled that the amendment constituted legislation in violation of Rule XXI, clause 2(c), and in addition, constituted a tax measure in violation of Rule XXI, clause 5(a). The point of order was conceded and sustained. [108–1, p. H6547]

July 23, 2003

H.R. 2799, Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2004

A point of order was raised against an amendment offered by Representative Levin, which would forbid expenditure of funds that would be used to negotiate free trade agreements that did not contain certain listed provisions, which imposed new duties that were not required by law and made the appropriations contingent upon the performance of said duties and on successful trade negotiations with other countries. The chair ruled that the provision was in vio-

lation of Rule XXI, clause 2. The point of order was sustained. [108–1, p. H7337–7339]

September 4, 2003

H.R. 2989, Transportation, Treasury, and Independent Agencies Appropriations Act, 2004

A point of order was raised against portions of section 631 of the bill, which would have amended the Trade Agreements Act of 1979. The provision exempted limitations on procurement. The chair ruled that the provision was in violation of Rule XXI, clause 2(b). The point of order was conceded, sustained and the language was stricken from the bill. [108–1, p. H7913]

September 4, 2003

H.R. 2989, Transportation, Treasury, and Independent Agencies Appropriations Act, 2004

A point of order was raised against the contents of Section 164 of the bill, which amended the Buy America requirements for transit capital purchases of steel, iron, manufactured goods, and rolling stock. The chair ruled that these provisions were in violation of Rule XXI. The point of order was conceded, sustained, and the section was stricken from the bill. [108–1, p. H7912–7913]

September 8, 1999

H.R. 2684, U.S. Departments of Veterans Affairs and Housing and Urban Development Appropriations for 2000

A point of order was raised against an amendment offered by Representative Edwards, which would have offset an increase in funding for veterans' health care by postponing the implementation of a capital gains tax cut. The chair ruled that the amendment constituted legislation in violation of Rule XXI, clause 2(c), and, in addition, constituted a tax measure in violation of Rule XXI, clause 5(a). The point of order was sustained, and the amendment ruled not in order. [106–1, p. H7923]

September 3, 1997

H.R. 2159, Foreign Operations Appropriations for Fiscal Year 1998

A point of order was raised against section 539 of the bill, which would have restricted the President's ability to issue an executive order lifting import sanctions against Yugoslavia (Serbia). The Chair ruled that since current law allowed the President to waive the application of certain sanctions, including import prohibitions which affect tariff collections, the provision in question was a tariff measure within the meaning of Rule XXI, clause 5(b). The point of order was sustained, and the provision stricken from the bill. [105–1, p. H6731]

July 17, 1996

H.R. 3756, Treasury, Postal Service, and General Government Appropriations Act of 1997

A point of order was raised against an amendment which prohibited the use of funds by the United States Customs Service to take any action that allowed certain imports into the United States from the People's Republic of China. The point of order was sustained. [104-2, p. H7708]

May 9, 1995

H.R. 1361, Coast Guard Authorization

A point of order was raised against an amendment which increased certain fees for large foreign-flag cruise ships. The Chair ruled that by increasing the fees charged by the Coast Guard for inspecting large foreign-flag cruise ships by an unspecified amount in order to offset a decrease in fees for other vessels, the amendment attenuated the relationship between the amount of the fee and the cost of the particular government activity for which it was assessed. Therefore the increased fee qualified as a tax or tariff within the meaning of Rule XXI, clause 5(b). The point of order was sustained, and the amendment ruled out of order. [1-4-1, p. H4593]

June 15, 1994

H.R. 4539, Treasury, Postal Service, and General Government Appropriation for Fiscal Year 1995

A point of order was raised against section 527 of the bill, which would have amended the HTS to create a new tariff classification. The new classification would have changed the rate of duty on the import of certain fabrics intended for use in the manufacture of hot air balloons, thus having direct impact on customs revenues. The point of order was conceded and sustained, and the provision was stricken from the bill. [103-2, p. H4531]

September 16, 1992

H.R. 5231, The National Competitiveness Act of 1992

A point of order was raised against an amendment offered by Representative Walker. The bill was reported solely from the Committee on Science and Technology and amended the Internal Revenue Code to provide, inter alia, changes in the tax treatment of capital gains.

The Chair sustained the point of order without elaboration. [H102, p. H8621]

October 23, 1990

H.R. 5021, Department of Commerce, Justice and State, the Judiciary and Related Agencies Appropriations Act, 1991

A point of order was raised against amendment 139 which increased the rate of fees paid to the Securities and Exchange Commission at the time of filing a registration statement. The Chair ruled that since the amendment provided that the increased level of fees would be deposited in the Treasury, the fee involved was in

reality a tax and the revenues were to be used to defray general governmental costs. The point of order was conceded and sustained. [101-2, p. H11412]

July 13, 1990

H.R. 5241, Treasury, Postal Service and General Government Appropriations Act of 1991

A point of order was raised against section 528 which prohibited that “no funds appropriated” would be used to impose or assess any tax under section 4181 of the Internal Revenue Code relating to the excise tax on the manufacture of firearms. The point of order was conceded and sustained. [101-2, p. H. 4692]

July 13, 1990

H.R. 5241, Treasury, Postal Service and General Government Appropriations Act of 1991

A point of order was raised against section 524 which prohibited the Internal Revenue Service from enforcing rules governing the antidiscrimination rules of the exclusion for employer provided health-care plans (section 89 of the Internal Revenue Code). The point of order was conceded and sustained. [101-2, p. H4692]

October 5, 1989

H.R. 3299, Omnibus Budget Reconciliation Act of 1989

A point of order was raised against section 3201 which imposed fees on the filing of certain forms required to be filed annually in connection with maintaining pension and benefit plans. The point of order was sustained with the Chair ruling that the revenue raised funded “general government activity.” [101-1, p. H6662]

October 4, 1989

H.R. 3299, Omnibus Budget Reconciliation Act of 1989

A point of order was raised against section 3156 which imposed a “Termination Fee.” Under the provision of the bill, an employer who terminated a pension plan in a standard termination was required to pay a \$200-per-participant fee to the Pension Benefit Guaranty Corporation (PBGC), the Federal insurance agency established to insure defined benefit pension plans against insolvency. The point of order was conceded and sustained. [101-1, p. H6621]

October 4, 1989

H.R. 3299, Omnibus Budget Reconciliation Act of 1989

A point of order was raised against section 3131(b) which exempted multi-employer pension plans from the full funding limits of the Internal Revenue Code, section 412(c)(7). This provision directly amended the Internal Revenue Code to allow the deductibility of contributions to a multi-employer pension plan in excess of the full funding limit. The point of order was conceded and sustained. [101-1, p. H6622]

October 4, 1989

H.R. 3299, Omnibus Budget Reconciliation Act of 1989

A point of order was raised against section 7002 which imposed an annual fee of \$1 per acre on the holder of Outer Continental Shelf leases. This fee has been designated to offset the costs of ocean related environmental research, assessment, and protection programs. The point of order was sustained with the Chair stating that “a provision raising revenue to finance general government functions improperly characterized as a tax within the jurisdiction of Clause 5(b) of Rule XXI.” [101–1, p. H6610]

October 4, 1989

H.R. 3299, Omnibus Budget Reconciliation Act of 1989

A point of order was raised against section 7002 which imposed a fee of \$20 per passenger on vessels engaged in U.S. cruise trade or which offer off-shore gambling. The proceeds of this fee were to be deposited in both the Harbor Maintenance Trust Fund and the Treasury’s general fund. The point of order was conceded and sustained. [101–1, p. H6620]

September 30, 1988

H.R. 4637, Conference Agreement To Accompany the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1989

A point of order was raised against the motion to concur in the Senate amendment No. 176 which provided that S. 2848 (Sanctions Against Iraqi Chemical Weapons Use Act) be added to the bill. The point of order was conceded and sustained. [100–2, p. H9236]

June 25, 1987

H.R. 3545, Budget Reconciliation Act of 1987

A point of order was raised against the section of the bill providing that “all earnings and distributions” from the Enjebi Community Trust Fund, “shall not be subject to any form of Federal, State, or local taxation.” The point of order was conceded and sustained. [100–1, p. H5539–40]

August 1, 1986

H.R. 5294, Appropriations, Treasury, Postal Service and General Government Appropriations, 1987

A point of order was raised against section 103 which denied funds to the Internal Revenue Service to impose vesting requirements for qualified pension funds more stringent than 4/40. As a result, legally collectible taxes on employer contributions to such plans would be indefinitely deferred. The point of order was conceded and sustained. [99–2, p. H5311]

August 1, 1986

H.R. 5294, Appropriations, Treasury, Postal Service and General Government Appropriations, 1987

A point of order was raised against section 3 which prohibited the use of funds to implement regulations issued by the Department of the Treasury to implement section 274(d) of the Internal Revenue Code relating to the duty imposed on taxpayers to substantiate deductibility of certain expenses relating to travel, gifts, and entertainment.

The Chair sustained the point of order stating that a limitation otherwise in order under Clause 2(c), of House Rule XXI which “effectively and inherently either preclude[s] the IRS from collecting revenues otherwise due to be [owed] under provision of the Internal Revenue Code or require[s] the collection of revenue not legally due and owing constitutes a tax provision within the meaning of Rule XXI, Clause 5(b).”

The Chair also noted that when the point of order was raised that under the rule the point of order against the provision could be raised at any point during the consideration of the bill. [99–2, p. H5310]

October 24, 1986

H.R. 3500, Budget Reconciliation Act of 1985

A point of order was raised against section 3113. The provision in the reconciliation bill reported from the Budget Committee contained a recommendation from the Committee on Education and Labor to exclude certain interest on obligations to Student Loan Marketing Association from Application of Internal Revenue Code (IRC), section 265 which denies a deduction for certain expenses and interest relating to the production of tax-exempt income. The point of order was sustained. [99–1, p. H5310]

October 24, 1985

H.R. 3500, Budget Reconciliation Act of 1985

A point of order was raised against section 6701 which had been reported from the Committee on the Budget containing a recommendation of the Committee on Merchant Marine and Fisheries. Section 6701 expanded tax benefits available to ship owners through the “capital construction fund” (section 7518 of the Internal Revenue Code), by permitting repatriation of foreign-source income to avoid U.S. taxes and expanding the definition of vessels eligible to establish such tax-exempt funds. [99–1, p. H9189]

July 26, 1985

H.R. 3036, Appropriations, Treasury, Postal Service, and General Government Appropriation, 1986

A point of order was raised against section 106 which prohibited the use of funds to implement or enforce regulations imposing or collecting a tax on the interest deferral from entrance or accommodation fees paid by elderly residents of continuing care facilities (section 7872 of the Internal Revenue Code). The Chair sustained

the point of order against the provision as a tax provision within the meaning of House Rule XXI, Clause 5(b). [99-1, p. H6418]

July 11, 1985

H.R. 1555, International Security and Development Act of 1985

A point of order was raised against section 1208 which denied trade benefits to Afghanistan, provided for the denial of most favored nation status to Afghanistan and denied trade credits to Afghanistan. The point of order was conceded and sustained. [99-1, p. H5489]

June 4, 1985

H.R. 1460, Anti-Apartheid Act of 1985

A point of order was raised against an amendment to prohibit the entry of South African Krugerrands or gold coins into the customs territory of the United States unless uniform 5 percent fee were paid. The point of order was sustained on the grounds that the fee was equivalent to a tariff uniform charge imposed at ports of entry with proceeds deposited in the Treasury. [99-1, p. H3762]

September 12, 1984

H.R. 5798, conference report to accompany the Appropriations, Treasury, Postal Service, Executive Office of the President and certain independent agencies Appropriation, 1985

A point of order was raised against a Senate amendment, No. 92 which amended the existing customs law under the Tariff Act of 1930 with respect to seizures and forfeitures of property by the Customs Service. The point of order was conceded and sustained. [98-2, p. H9407]

September 12, 1984

H.R. 5798, conference report to accompany the Appropriations, Treasury, Postal Service, Executive Office of the President and certain independent agencies Appropriation, 1985

A point of order was raised against a Senate amendment, No. 26 which amended the tariff schedule of the United States (TSUS) to provide duty-free importation of a telescope for the University of Arizona. The point of order was conceded and sustained. [98-2, p. H9396]

September 12, 1984

H.R. 5798, conference report to accompany the Appropriations, Treasury, Postal Service, Executive Office of the President and certain independent agencies Appropriation, 1985

A point of order was raised against a Senate amendment, No. 24 which provided that "none of the funds appropriated by this act or any other act" shall be used to impose or assess the manufacturer's excise tax on sporting goods. The point of order specifically stated

that the term “tax” and “tariff” under House Rule XXI, Clause 5(b), included provisions such as these contained in the amendment which would result less revenue spent than under the operation of existing law. The point of order was conceded and sustained. [98–2, p. H9395–9396]

October 27, 1983

H.R. 4139, conference report to accompany the Appropriations Treasury, Postal Service, Executive Office of the President and certain independent agencies Appropriation, 1984

The Chair sustained a point of order against section 511 which would have prohibited the Customs Service from enforcing a provision of law permitting agricultural products to enter the United States duty-free under the CBI. The Chair ruled that the effect of the provision was to cause duties on certain imports to be imposed where none is required and to require collections of revenue contrary to existing tariff laws and that, as a result, section 511 was a tariff provision rather than a limitation of appropriated funds. [98–1, p. H8717]

September 21, 1983

H.R. 1036, Community Renewal Employment Act

The Chair sustained a point of order against a motion to recommit a bill to a committee without jurisdiction over revenue measures (the Committee on Education and Labor), and to report the bill back to the House with tax provisions relating to “enterprise zones.” The motion was ruled to violate House Rule XVI, Clause 7, and House Rule XXI Clause 5(b). [98–1, p. H7244]

H. RESTRICTIONS ON “FEDERAL INCOME TAX RATE INCREASES”

House Rule XXI, clause 5(b) and (c) prohibit retroactive Federal income tax rate increases and require a supermajority [3/5] vote for any bill containing a prospective Federal income tax rate increase. The wording of the rule and its legislative history make it clear that the rule applies only to increases in specific statutory rates in the Internal Revenue Code and not to provisions merely because they raise revenue or otherwise modify the income tax base.

Appendix II. Historical Note

The Committee on Ways and Means was first established as an ad hoc committee in the first session of the First Congress, on July 24, 1789. Representative Fitzsimons, from Pennsylvania, in commenting on the report of a select committee concerning appropriations and revenues, pointed out the desirability of having a committee to review the expenditure needs of the Government and the resources available, as follows:

The finances of America have frequently been mentioned in this House as being very inadequate to the demands. I have never been of a different opinion, and do believe that the funds of this country, if properly drawn into operation, will be equal to every claim. The estimate of supplies necessary for the current year appears very great from a report on your table, and which report has found its

way into the public newspapers. I said, on a former occasion, and I repeat it now, notwithstanding what is set forth in the estimate, that a revenue of \$3 million in specie, will enable us to provide every supply necessary to support the Government, and pay the interest and installments on the foreign and domestic debt. If we wish to have more particular information on these points, we ought to appoint a Committee on Ways and Means, to whom, among other things, the estimate of supplies may be referred, and this ought to be done speedily, if we mean to do it this session.

After discussion, the motion was agreed to and a committee consisting of one Member from each State (North Carolina and Rhode Island had not yet ratified the Constitution) was appointed as follows: Messrs. Fitzsimons (Pennsylvania), Vining (Delaware), Livermore (New Hampshire), Cadwalader (New Jersey), Laurance (New York), Wadsworth (Connecticut), Jackson (Georgia), Gerry (Massachusetts), Smith (Maryland), Smith (South Carolina), and Madison (Virginia).

While there does not appear to be any direct relationship, it is interesting to note that the appointment of this ad hoc committee came within a few weeks after the House, in Committee of the Whole, had spent a good part of the months of April, May, and June in wrestling with the details involved in writing bills "for laying a duty on goods, wares, and merchandises imported into the United States" and for imposing duties on tonnage. Tariffs, of course, became a prime revenue source for the new government.

However, the results of this ad hoc committee are not clear. It existed for a period of only 8 weeks, being dissolved on September 17, 1789, with the following order:

That the Committee on Ways and Means be discharged from further proceeding on the business referred to them, and that it be referred to the Secretary of the Treasury to report thereon.

It has also been suggested by one student that the Committee was dissolved because Alexander Hamilton had become Secretary of the newly created U.S. Department of the Treasury, and thus it was presumed that the U.S. Department of the Treasury could provide the necessary machinery for developing information which would be needed. During the next 6 years there was no Committee on Ways and Means or any other standing committee for the examination of estimates. Rather, ad hoc committees were appointed to draw up particular pieces of legislation on the basis of decisions made in the Committee of the Whole House. On November 13, 1794, a rule was adopted providing that:

All proceedings touching appropriations of money shall be first moved and discussed in a Committee on the Whole House.

In the next Congress historians have suggested that the House was determined to curtail Secretary Hamilton's influence by first setting up a Committee on Ways and Means and requiring that Committee to submit a report on appropriations and revenue measures before consideration in the Committee of the Whole House. It was also said that this Committee on Ways and Means was put on a more or less standing basis since such a committee appeared at some point in every Congress until it was made a permanent committee.

In the first session of the 7th Congress, Tuesday, December 8, 1801, a resolution was adopted as follows:

Resolved, That a standing Committee on Ways and Means be appointed, whose duty it shall be to take into consideration all such reports of the Treasury Department, and all such propositions, relative to the revenue as may be referred to them by the House; to inquire into the state of the public debt, of the revenue, and of the expenditures; and to report, from time to time, their opinion thereon.

The following Members were appointed: Messrs. Randolph (Virginia), Griswold (Connecticut), Smith (Vermont), Bayard (Delaware), Smilie (Pennsylvania), Read (Massachusetts), Nicholson (Maryland), Van Rensselaer (New York), Dickson (Tennessee).

On Thursday, January 7, 1802, the House agreed to standing rules which, among other things, provided for standing committees, including the Committee on Ways and Means. The relevant part of the rules in this respect read as follows:

A Committee on Ways and Means, to consist of seven Members;

* * * * *

It shall be the duty of the said Committee on Ways and Means to take into consideration all such reports of the U.S. Department of the Treasury, and all such propositions relative to the revenue, as may be referred to them by the House; to inquire into the state of the public debt, of the revenue, and of the expenditures, and to report, from time to time, their opinion thereon; to examine into the state of the several public departments, and particularly into the laws making appropriations of moneys, and to report whether the moneys have been disbursed conformably with such laws; and also to report, from time to time, such provisions and arrangements, as may be necessary to add to the economy of the departments, and the accountability of their officers.

It has been said that the jurisdiction of the Committee was so broad in the early 19th century that one historian described it as follows:

It seemed like an Atlas bearing upon its shoulders all the business of the House.

The jurisdiction of the Committee remained essentially the same until 1865 when the control over appropriations was transferred to a newly created Committee on Appropriations and another part of its jurisdiction was given to a newly created Committee on Banking and Currency. This action followed rather extended discussion in the House, too lengthy to review here.

During the course of that discussion, however, the following observations are of some historical interest. Representative Cox, who was handling the motion to divide the Committee, gave a very picturesque discussion of the many varied and heavy duties which had fallen On the Committee over the years He observed:

And yet, sir, powerful as the Committee is constituted, even their powers of endurance, physical and mental, are not adequate to the great duty which has been imposed by the emergencies of this historic time. It is an old adage, that "whoso wanteth rest will also want of might"; and

even an Olympian would faint and flag if the burden of Atlas is not relieved by the broad shoulders of Hercules.

He continued:

I might give here a detailed statement of the amount of business thrown upon that Committee since the commencement of the war. But I prefer to append it to my remarks. Whereas before the war we scarcely expended more than \$70 million a year, now, during the five sessions of the last two Congresses, there has been an average appropriation of at least \$800 million per session. The statement which I hold in my hand shows that during the first and extra session of the 37th Congress there came appropriation bills from the Committee on Ways and Means amounting to \$226,691,457.99. I say nothing now of the loan and other fiscal bills emanating from that Committee. * * * During the present session I suppose it would be a fair estimate to take the appropriations of the last session of the 37th Congress, say \$900 million.

These are appropriation bills alone. They are stupendous, and but poorly symbolize the immense labors which the internal revenue, tariff, and loan bills imposed on the Committee. * * * And this business of appropriations is perhaps not one-half of the labor of the Committee. There are various and important matters upon which they act, but upon which they never report. Their duties comprehend all the varied interests of the United States; every element and branch of industry, and every dollar or dime of value. They are connected with taxation, tariffs, banking, loan bills, and ramify to every fiber of the body-politic. All the springs of wealth and labor are more or less influenced by the action of this Committee. Their responsibility is immense, and their control almost imperial over the necessities, comforts, homes, hopes, and destinies of the people. All the values of the United States, which in the census of 1860 (page 194) amount to nearly \$17 billion, or, to be exact, \$16,159,616,068, are affected by the action of that Committee, even before their action is approved by the House. Those values fluctuate whenever the head of the Committee on Ways and Means rises in his place and proposes a measure. The price of every article we use trembles when he proposes a gold bill or a loan bill, or any bill to tax directly or indirectly. * * * * * the interests connected with these economical questions are of all questions those most momentous for the future. Parties, statesmanship, union, stability, all depend upon the manner in which these questions are dealt with.

Representative Morrill (who was subsequently appointed chairman of the Committee on Ways and Means in the succeeding Congress, and who still later became chairman of the Senate Committee on Finance after he became a Senator) observed as follows:

I am entirely indifferent as to the disposition which shall be made of this subject by the House. So far as I am myself concerned, I have never sought any position upon any

committee from the present or any other Speaker of the House, and probably never shall. I have no disposition to press myself hereafter for any position. In relation to the proposed division of the Committee on Ways and Means, the only doubt that I have is the one expressed by my colleague on that Committee, Representative Stevens, in regard to the separation of the questions of revenue from those relating to appropriations. In ordinary times of peace I should deem it almost indispensable and entirely within their power that this Committee should have the control of both subjects, in order that they might make both ends meet, that is, to provide a sufficient revenue for the expenditures. That reason applies now with greater force; but it may be that the Committee is overworked. It is true that for the last 3 or 4 years the labors of the Committee on Ways and Means have been incessant, they have labored not only days but nights; not only weekends but Sundays. If gentlemen suppose that the Committee have permitted some appropriations to be reported which should not have been permitted they little understand how much has been resisted.

The influence the Committee came not only from the nature of its jurisdiction but also because for many years the chairman of the Committee was also ad hoc majority Floor leader of the House.

When the revolt against Speaker Cannon took place, and the Speaker's powers to appoint the Members of committees were curtailed, the Majority Members on the Committee on Ways and Means became the Committee on Committees. Subsequently, this power was disbursed to the respective party caucuses, beginning in the 94th Congress.

Throughout its history, many famous Americans have served on the Committee on Ways and Means. The long and distinguished list includes 8 Presidents of the United States, 8 Vice Presidents, 4 Justices of the Supreme Court, 34 Cabinet members, and quite interestingly, 21 Speakers of the House of Representatives. This latter figure represents nearly one-half of the 51 Speakers who have served since 1789 through the end of the 110th Congress. See the alphabetical list which follows for names.

Major positions held by former members of the Committee on Ways and Means

President of the United States:

George H.W. Bush, Texas
 Millard Fillmore, New York
 James A. Garfield, Ohio
 Andrew Jackson, Tennessee
 James Madison, Virginia
 William McKinley, Jr., Ohio
 James K. Polk, Tennessee
 John Tyler, Virginia

Vice President of the United States:

John C. Breckenridge, Kentucky
 George H.W. Bush, Texas
 Charles Curtis, Kansas
 Millard Fillmore, New York

John N. Garner, Texas
 Elbridge Gerry, Massachusetts
 Richard M. Johnson, Kentucky
 John Tyler, Virginia
 Justice of the Supreme Court:
 Philip P. Barbour, Virginia
 Joseph McKenna, California
 John McKinley, Alabama
 Fred M. Vinson, Kentucky (Chief Justice)
 Speaker of the House of Representatives:
 Nathaniel P. Banks, Massachusetts
 Philip P. Barbour, Virginia
 James G. Blaine, Maine
 John G. Carlisle, Kentucky
 Langdon Cheves, South Carolina
 James B. (Champ) Clark, Missouri
 Howell Cobb, Georgia
 Charles F. Crisp, Georgia
 John N. Garner, Texas
 John W. Jones, Virginia
 Michael C. Kerr, Indiana
 Nicholas Longworth, Ohio
 John W. McCormack, Massachusetts
 James K. Polk, Tennessee
 Henry. T. Rainey, Illinois
 Samuel J. Randall, Pennsylvania
 Thomas B. Reed, Maine
 Theodore Sedgwick, Massachusetts
 Andrew Stevenson, Virginia
 John W. Taylor, New York
 Robert C. Winthrop, Massachusetts
 Cabinet Member:
 Secretary of State:
 James G. Blaine, Maine
 William J. Bryan, Nebraska
 Cordell Hull, Tennessee ¹
 Louis McLean, Delaware
 John Sherman, Ohio
 Secretary of the Treasury:
 George W. Campbell, Tennessee
 John G. Carlisle, Kentucky
 Howell Cobb, Georgia
 Thomas Corwin, Ohio
 Charles Foster, Ohio
 Albert Gallatin, Pennsylvania
 Samuel D. Ingham, Pennsylvania
 Louis McLean, Delaware
 Ogden L. Mills, New York
 John Sherman, Ohio
 Philip F. Thomas, Maryland
 Fred M. Vinson, Kentucky
 Attorney General:
 James P. McGranery, Pennsylvania

¹ Recipient of Nobel Peace Prize in 1945.

Joseph McKenna, California
 A. Mitchell Palmer, Pennsylvania
 Caesar A. Rodney, Delaware
 Postmaster General:
 Samuel D. Hubbard, Connecticut
 Cave Johnson, Tennessee
 Horace Maynard, Tennessee
 William L. Wilson, West Virginia
 Secretary of the Navy:
 Thomas W. Gilder, Virginia
 Hilary A. Herbert, Alabama
 Victor H. Metcalf, California
 Claude A. Swanson, Virginia
 Secretary of the Interior:
 Rogers C. B. Morton, Maryland
 Jacob Thompson, Mississippi
 Secretary of Commerce and Labor:
 Victor H. Metcalf, California
 Secretary of Commerce:
 Rogers C. B. Morton, Maryland
 Secretary of Agriculture:
 Clinton P. Anderson, New Mexico

Appendix III. Statistical Review of the Activities of the Committee on Ways and Means

A. NUMBER OF BILLS AND RESOLUTIONS REFERRED TO THE COMMITTEE

At the close of the 111th Congress, there had been referred to the Committee a total of 1,764 bills, representing 20.1 percent of all the public bills introduced in the House of Representatives.

The following table gives a more complete statistical review since 1967.

TABLE 1. NUMBER OF BILLS AND RESOLUTIONS REFERRED TO THE COMMITTEE, 90TH THROUGH 111TH CONGRESSES

	Introduced in House	Referred to Committee on Ways and Means	Percentage
90th Congress	24,227	3,806	15.7
91st Congress	23,575	3,442	14.6
92nd Congress	20,458	3,157	15.4
93rd Congress	21,096	3,370	16
94th Congress	19,371	3,747	19.3
95th Congress	17,800	3,922	22
96th Congress	10,196	2,337	22.9
97th Congress	9,909	2,377	26.4
98th Congress	8,104	1,904	23.5
99th Congress	7,522	1,568	20.8
100th Congress	7,043	1,419	22.1
101st Congress	7,640	1,737	22.7
102nd Congress	7,771	1,972	25.4
103rd Congress	6,645	1,496	22.5
104th Congress	5,329	1,071	20.1
105th Congress	5,976	1,509	25.2
106th Congress	6,942	1,762	25.3
107th Congress	7,029	1,941	27.6
108th Congress	6,953	1,541	22.2
109th Congress	8,152	2,152	26.4
110th Congress	9,319	2,386	25.6

TABLE 1. NUMBER OF BILLS AND RESOLUTIONS REFERRED TO THE COMMITTEE, 90TH THROUGH 111TH CONGRESSES—Continued

	Introduced in House	Referred to Committee on Ways and Means	Percentage
111th Congress	8,780	1,764	20.1

B. PUBLIC HEARINGS

In the course of the 111th Congress, the Committee on Ways and Means along with its six subcommittees held public hearings on a total of 85 days. Many of these hearings dealt with broad subject matter including the President's fiscal year 2009 and 2010 budget proposals, health and Social Security issues, and President Obama's trade agenda.

The following table specifies the statistical data on the number of days and witnesses published on each of the subjects covered by public hearings in the full Committee during the 111th Congress.

TABLE 2. PUBLIC HEARINGS CONDUCTED BY THE FULL COMMITTEE ON WAYS AND MEANS

Subject and Date	Number of	
	Days	Witnesses
2009:		
Hearing on Scientific Objectives for Climate Change Legislation, February 25	1	3
Hearing on the President's Fiscal Year 2010 Budget Overview, March 3	1	1
Hearing on the President's Fiscal Year 2010 Budget Overview with OMB Director Peter R. Orszag, March 4	1	
Health Reform in the 21st Century: Expanding Coverage, Improving Quality and Controlling Costs, March 11	1	3
Hearing on Addressing Price Volatility in Climate Change Legislation, March 26	1	7
Hearing on Health Reform in the 21st Century: Reforming the Health Care Delivery System, April 1	1	7
Health Reform in the 21st Century: Insurance Market Reforms, April 22	1	6
Health Reform in the 21st Century: Employer Sponsored Insurance, April 29	1	6
Health Reform in the 21st Century: A Conversation with Health and Human Services Secretary Kathleen Sebelius, May 6	1	1
The Financial Status of The Airport and Airway Trust Fund, May 7	1	5
Health Reform in the 21st Century: Proposals to Reform the Health System, June 24	1	11
Hearing on Defined Benefit Pension Plan Funding Levels and Investment Advice Rules, October 1	1	12
Total for 2009	12	63
2010:		
Hearing on the President's Fiscal Year 2011 Budget Overview with OMB Director Peter R. Orszag, February 3	1	1
Hearing on the President's Fiscal Year 2011 Budget with Treasury Secretary Timothy F. Geithner, February 3	1	1
Hearing on China's Exchange Rate Policy, March 24	1	4
Hearing on Energy Tax Incentives Driving the Green Job Economy, April 14	1	12
Hearing on Tax Proposals Related to Legislation to Legalize Internet Gambling, May 19 ..	1	5
Hearing on China's Trade and Industrial Policies, June 16	1	14
Hearing on Transfer Pricing Issues, July 22	1	6
Hearing on China's Exchange Rate Policy, September 15	1	10
Hearing on China's Exchange Rate Policy with Treasury Secretary Timothy F. Geithner, September 16	1	1
Total for 2010	9	54
Total for both sessions	21	117

The six Subcommittees of the Committee on Ways and Means were also very active in conducting public hearings during the 111th Congress. The following table specifies in detail the number of days and witnesses published by each of the Subcommittees.

TABLE 3. PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS

Subject and date	Number of	
	Days	Witnesses
SUBCOMMITTEE ON TRADE		
2009:		
Hearing on Trade Aspects of Climate Change Legislation, March 24	1	5
Hearing on Investment Protections in U.S. Trade and Investment Agreements, May 14	1	5
Hearing on Trade Advisory Committee System, July 21	1	7
Hearing on the Operation, Impact, and Future of the U.S. Preference Programs, November 17	1	18
Total for 2009	4	35
2010:		
Hearing on U.S.-Cuba Policy, April 29	1	6
Hearing on Customs Trade Facilitation and Enforcement in a Secure Environment, May 20	1	8
Hearing on Enhancing the U.S.-EU Trade Relationship, July 27	1	5
Hearing on China's Exchange Rate Policy, September 15	1	10
Total for 2010	4	29
Total	8	64
SUBCOMMITTEE ON OVERSIGHT		
2009:		
Hearing on IRS Assistance for Taxpayers Experiencing Economic Difficulties, February 26	1	2
Hearing on the Troubled Asset Relief Program: Oversight of Federal Borrowing and the Use of Federal Monies, March 19	1	2
Hearing on Internal Revenue Service Operations and Fiscal Year 2010 Budget Proposals, June 4	1	1
Joint Hearing on Highway and Transit Investment Needs, June 25	1	6
Hearing on Administration of the First-Time Homebuyer Tax Credit, October 22	1	3
Joint Hearing on Food Banks and Front-Line Charities: Unprecedented Demand and Unmet Need, November 19	1	8
Total for 2009	6	22
2010:		
Hearing on the National Taxpayer Advocate's 2009 Report on the Most Serious Problems Encountered by Taxpayers, March 16	1	1
Hearing on Internal Revenue Service Operations and the 2010 Tax Return Filing Season, March 25	1	1
Hearing on the Alcohol Tax and Trade Bureau's Report on Tobacco Smuggling in the United States, May 27	1	2
Hearing on Reducing Fraud, Waste and Abuse in Medicare, June 15	1	8
Hearing on the Immediate Need for Charitable Assistance in the Gulf Coast Region, July 20	1	2
Total for 2010	5	14
Total	11	36
SUBCOMMITTEE ON HEALTH		
2009:		
Hearing on MedPAC's Annual March Report to the Congress on Medicare Payment Policy, March 17	1	1

TABLE 3. PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS—Continued

Subject and date	Number of	
	Days	Witnesses
Total for 2009	1	1
2010:		
Hearing on Reducing Fraud, Waste and Abuse in Medicare, June 15	1	8
Hearing on Efforts to Promote the Adoption and Meaningful Use of Health Information Technology, July 20	1	7
Total for 2010	2	15
Total	3	16
SUBCOMMITTEE ON SOCIAL SECURITY		
2009:		
Joint Hearing on Eliminating the Social Security Disability Backlog, March 24	1	7
Hearing on the Social Security Administration's Provisions in the American Recovery and Reinvestment Act of 2009, April 28	1	5
Hearing on the Social Security Administration's Employment Support Programs for Disability Beneficiaries, May 19	1	8
Hearing on Clearing the Disability Claims Backlogs: The Social Security Administration's Progress and New Challenges Arising From the Recession, November 19	1	7
Joint Oversight Hearing on the Recovery Act Project to Replace the Social Security Administration's National Computer Center, December 15	1	3
Totals for 2009	5	30
2010:		
Oversight Hearing on Social Security Administration Field Office Service Delivery, April 15	1	7
Joint Hearing on the Social Security Disability Claims Backlogs (See Social Security), April 27	1	7
Hearing on Social Security at 75 years: More Necessary Now than Ever, July 15	1	7
Totals for 2010	3	21
Total	8	51
SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT		
2009:		
Hearing on Protecting Lower-Income Families While Fighting Global Warming, March 12	1	4
Joint Hearing on Eliminating the Social Security Disability Backlog (See Social Security), March 24	1	7
Hearing on Implementation of Unemployment Insurance Provisions in the Recovery Act, April 23	1	6
Hearing on Proposals to Provide Federal Funding for Early Childhood Home Visitation Programs, June 9	1	5
Hearing on the Implementation of the Fostering Connections to Success and Increasing Adoptions Act, September 15	1	6
Hearing on the "Safety Net's" Response to the Recession, October 8	1	6
Joint Hearing on Food Banks and Front-Line Charities: Unprecedented Demand and Unmet Need (See Oversight), November 19	1	8
Totals for 2009	7	42
2010:		
Hearing on TANF's Role in Providing Assistance to Struggling Families, March 11	1	6
Hearing on the Role of Education and Training in the TANF Program, April 22	1	6
Joint Hearing on the Social Security Disability Claims Backlogs (See Social Security), April 27	1	7
Hearing on the Solvency of the Unemployment Insurance System, May 6	1	5
Hearing on Responding to Long-Term Unemployment, June 10	1	5
Hearing to Review Responsible Fatherhood Programs, June 17	1	7
Hearing to Review the Use of Child Welfare Waiver Demonstration Projects to Promote Child Well-Being, July 29	1	5

TABLE 3. PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS—Continued

Subject and date	Number of	
	Days	Witnesses
Totals for 2010	7	41
Total	14	83
SUBCOMMITTEE ON SELECT REVENUE MEASURES		
2009:		
Hearing on Banking Secrecy Practices and Wealthy American Taxpayers, March 31	1	4
Hearing on Tax-Exempt and Taxable Governmental Bonds, May 21	1	6
Hearing on the New Markets Tax Credit Program, June 18	1	7
Joint Hearing on Highway and Transit Investment Needs, June 25	1	6
Hearing on Long-Term Financing Options For the Highway Trust Fund, including Member Proposals, July 23	1	20
Hearing on Revitalizing Distressed Communities, October 7	1	6
Hearing on Foreign Bank Account Reporting and Tax Compliance, November 5	1	5
Totals for 2009	7	54
2010:		
Hearing on Taxes and the Federal Budget, March 23	1	4
Hearing on Infrastructure Banks, May 13	1	10
Hearing on RIC Modernization, June 15	1	3
Hearing on Reinsurance, July 14	1	4
Totals for 2010	4	21
Total	11	75

As the foregoing statistics indicate, during the 111th Congress the full Committee and its six Subcommittees held public hearings aggregating a grand total of 85 days, during which time 514 witnesses testified. There were no field hearings.

C. MARKUP SESSIONS

With respect to markup or business sessions during the 111th Congress, the full Committee and its six Subcommittees were also very actively engaged. The full Committee held such sessions on 8 working days, usually both morning and afternoon sessions, and the Subcommittees an aggregate of 3 working days, making a grand total of 11 working days of markup or business sessions for the full Committee and its Subcommittees during the 111th Congress.

D. NUMBER AND FINAL STATUS OF BILLS REPORTED FROM THE COMMITTEE ON WAYS AND MEANS IN THE 111TH CONGRESS

During the 111th Congress, the Committee reported to the House a total of 4 bills favorably. There were 81 bills containing provisions within the purview of the Committee that were passed by the House; 44 were enacted into law. This is not indicative of the total number of bills considered by the Committee.

Appendix IV. Chairmen of the Committee on Ways and Means and Membership of the Committee from the 1st through the 111th Congresses

A. CHAIRMEN OF THE COMMITTEE ON WAYS AND MEANS, 1789 TO PRESENT

Name	State	Party	Term of service
Thomas Fitzsimons	Pennsylvania	Federalist	1789.
William L. Smith	South Carolina	Federalist	1794 to 1797.
Robert G. Harper	South Carolina	Federalist	1797 to 1800.
Roger Griswold	Connecticut	Federalist	1800 to 1801.
John Randolph	Virginia	Jeffersonian Republican	1801 to 1805, 1827.
Joseph Clay	Pennsylvania	Jeffersonian Republican	1805 to 1807.
George W. Campbell	Tennessee	Jeffersonian Republican	1807 to 1809.
John W. Eppes	Virginia	Jeffersonian Republican	1809 to 1811.
Ezekiel Bacon	Massachusetts	Jeffersonian Republican	1811 to 1812.
Langdon Cheves	South Carolina	Jeffersonian Republican	1812 to 1813.
John W. Eppes	Virginia	Jeffersonian Republican	1813 to 1815.
William Lowndes	South Carolina	Jeffersonian Republican	1815 to 1818.
Samuel Smith	Maryland	Jeffersonian Republican	1818 to 1822.
Louis McLane	Delaware	Jeffersonian Republican	1822 to 1827.
George McDuffie	South Carolina	Democrat	1827 to 1832.
Gulian C. Verplanck	New York	Democrat	1832 to 1833.
James K. Polk	Tennessee	Democrat	1833 to 1835.
C.C. Cambreleng	New York	Democrat	1835 to 1839.
John W. Jones	Virginia	Democrat	1839 to 1841.
Millard Fillmore	New York	Whig	1841 to 1843.
James Iver McKay	North Carolina	Democrat	1843 to 1847.
Samuel F. Vinton	Ohio	Whig	1847 to 1849.
Thomas H. Bayly	Virginia	Democrat	1849 to 1851.
George S. Houston	Alabama	Democrat	1851 to 1855.
Lewis D. Campbell	Ohio	Republican	1855 to 1857.
J. Glancy Jones	Pennsylvania	Democrat	1857 to 1858.
John S. Phelps	Missouri	Democrat	1858 to 1859.
John Sherman	Ohio	Republican	1859 to 1861.
Thaddeus Stevens	Pennsylvania	Republican	1861 to 1865.
Justin S. Morrill	Vermont	Republican	1865 to 1867.
Robert C. Schenck	Ohio	Republican	1867 to 1871.
Samuel D. Hooper	Massachusetts	Republican	1871.
Henry L. Dawes	Massachusetts	Republican	1871 to 1875.
William R. Morrison	Illinois	Democrat	1875 to 1877.
Fernando Wood	New York	Democrat	1877 to 1881.
John R. Tucker	Virginia	Democrat	1881.
William D. Kelley	Pennsylvania	Republican	1881 to 1883.
William R. Morrison	Illinois	Democrat	1883 to 1887.
Roger Q. Mills	Texas	Democrat	1887 to 1889.
William McKinley, Jr	Ohio	Republican	1889 to 1891.
William M. Springer	Illinois	Democrat	1891 to 1893.
William L. Wilson	West Virginia	Democrat	1893 to 1895.
Nelson Dingley, Jr	Maine	Republican	1895 to 1899.
Serenio E. Payne	New York	Republican	1899 to 1911.
Oscar W. Underwood	Alabama	Democrat	1911 to 1915.
Claude Kitchin	North Carolina	Democrat	1915 to 1919.
Joseph W. Fordney	Michigan	Republican	1919 to 1923.
William R. Green	Iowa	Republican	1923 to 1928.
Willis C. Hawley	Oregon	Republican	1929 to 1931.
James W. Collier	Mississippi	Democrat	1931 to 1933.
Robert L. Doughton	North Carolina	Democrat	1933 to 1947, 1949 to 1953.
Harold Knutson	Minnesota	Republican	1947 to 1949.
Daniel A. Reed	New York	Republican	1953 to 1955.
Jere Cooper	Tennessee	Democrat	1955 to 1957.
Wilbur D. Mills	Arkansas	Democrat	1957 to 1975.
Al Ullman	Oregon	Democrat	1975 to 1981.
Dan Rostenkowski	Illinois	Democrat	1981 to 1994.
Bill Archer	Texas	Republican	1995 to 2001.

Name	State	Party	Term of service
William M. Thomas	California	Republican	2001 to 2007.
Charles B. Rangel	New York	Democrat	2007 to 2010.
Sander M. Levin *	Michigan	Democrat	2010 to 2010.

* Acting.

B. TABLES SHOWING PAST MEMBERSHIP OF THE COMMITTEE

1. MEMBERS OF THE COMMITTEE ON WAYS AND MEANS FROM THE 1ST THROUGH THE 111TH CONGRESS, BY STATE

[Beginning with the 104th Congress, Intra-Congress Committee Membership changes are footnoted]

Member	Congress(es)
Alabama:	
John McKinley	23
David Hubbard	26
Dixon H. Lewis	27–28
George S. Houston	29–30, 32–33
James F. Dowdell	35
Hilary A. Herbert	48
Joseph Wheeler	53–55
Oscar W. Underwood	56, 59–63
Ronnie G. Flippo	98–101
Artur Davis	110–111
Arizona:	
J.D. Hayworth	105–109
Arkansas:	
James K. Jones	48
Clifton R. Breckinridge	49–51, 53
William A. Oldfield	64–70
Heartsill Ragon	70–73
William J. Driver	72
Claude A. Fuller	73–75
Wilbur D. Mills	77–94
Jim Guy Tucker, Jr	95
Beryl Anthony, Jr	97–102
California:	
Joseph McKenna	51–52
Victor H. Metcalf	57–58
James C. Needham	58–62
William E. Evans	73
Frank H. Buck	74–77
Bertrand W. Gearhart	76–80
Cecil R. King	78–79, 81–90
James B. Utt	83, 86–91
James C. Corman	90–96
Jerry L. Pettis	91–94
William M. Ketchum	94–95
Fortney Pete Stark	94–
John H. Rousselot	95–97
Robert T. Matsui	⁴ 97–108
William M. Thomas	98–109
Wally Herger	103–
Xavier Becerra	105–
Mike Thompson	109–
Devin Nunes	⁶ 109–
Colorado:	
Robert W. Bonyng	60
Charles B. Timberlake	66–72
John A. Carroll	81
Donald G. Brozman	92–93
George H. “Hank” Brown	100–101
Scott McInnis	106–108
Bob Beauprez	109

Member	Congress(es)
Connecticut:	
Jeremiah Wadsworth	1
Uriah Tracy	3
James Hillhouse	4
Nathaniel Smith	4–5
Joshua Coit	5
Roger Griswold	5–8
John Davenport	8
Jonathan O. Moseley	9, 14, 16
Benjamin Tallmadge	10–11
Timothy Pitkin	12–13, 15
Ralph I. Ingersoll	21–22
Samuel D. Hubbard	30
James Phelps	45–46
Charles A. Russell	54–57
Ebenezer J. Hill	58–62, 64–65
John Q. Tilton	66–68
Antoni N. Sadlak	83–85
William R. Cotter	94–97
Barbara B. Kennelly	98–105
Nancy L. Johnson	101–109
John B. Larson	109–
Delaware:	
John Vining	1
Henry Latimer	3
John Patten	4
James A. Bayard, Sr	5, 7
Caesar A. Rodney	8
Louis McLane	16–19
Florida:	
A.S. Herlong, Jr	84–90
Sam M. Gibbons	91–104
L.A. (Skip) Bafalis	94–97
E. Clay Shaw, Jr	100–109
Karen L. Thurman	105–107
Mark Foley	⁸ 104–109
Kendrick Meek	110–111
Ginny Brown-Waite	111–
Georgia:	
James Jackson	1
Abraham Baldwin	3–5
Benjamin Taliaferro	6
John Milledge	7
David Meriwether	8–9
William W. Bibb	12–13
Joel Abbott	15
Joel Crawford	15–16
Wiley Thompson	17–18
George R. Gilmer	20
Richard H. Wilde	22–23
George W. Owens	24–25
Charles E. Haynes	25
Mark A. Cooper	26
Absalom H. Chappell	28
Seaborn Jones	29
Robert Toombs	30–31
Alexander H. Stephens	30–31, 33
Marshall J. Wellborn	31
Howell Cobb	34
Martin J. Crawford	35–36
Benjamin H. Hill	44
Henry R. Harris	45, 49
William H. Felton	46
Emory Speer	47
James H. Blount	48
Henry G. Turner	50–54
Charles F. Crisp	54

Member	Congress(es)
James M. Griggs	60–61
William G. Brantley	61–62
Charles R. Crisp	64–72
Albert S. Camp	78–83
Phillip M. Landrum	89–94
Ed Jenkins	95–102
Wyche Fowler, Jr	96–99
John Lewis	103–
Mac Collins	104–108
John Linder	109–111
Hawaii:	
Cecil (Cec) Heftel	96–99
Illinois:	
Daniel P. Cook	19
John A. McClelland	37
John Wentworth	39
John A. Logan	40
Samuel S. Marshall	41
Horatio C. Burchard	42–45
William R. Morrison	44, 46–49
William M. Springer	52
Albert J. Hopkins	52–57
Henry S. Boutell	58–61
Henry T. Rainey	62–66, 68–72
John A. Sterling	65
Ira C. Copley	66–67
Carl R. Chindblom	68–72
Chester C. Thompson	74–75
Raymond S. McKeough	76–77
Charles S. Dewey	78
Thomas J. O'Brien	79, 81–88
Noah M. Mason	80–87
Harold R. Collier	88–93
Dan Rostenkowski	88–103
Abner J. Mikva	94–96
Philip M. Crane	94–108
Marty Russo	96–102
Mel Reynolds	103
Jerry Weller	105–110
Rahm Emanuel	109–110
Danny K. Davis	111
Indiana:	
David Wallace	27
Cyrus L. Dunham	32
William E. Niblack	40, 43
Godlove S. Orth	41
Michael C. Kerr	42
Thomas M. Browne	48–50
William D. Bynum	50, 53
Benjamin F. Shively	52
George W. Steele	54–57
James E. Watson	58–60
Edgar D. Crumpacker	60–61
Lincoln Dixon	62–65
Harry C. Canfield	71–72
John W. Boehne, Jr	73–77
Robert A. Grant	80
Andy Jacobs, Jr	94–104
Chris Chocola	109
Iowa:	
John A. Kasson	38, 43, 47–48
William B. Allison	39–41
John H. Gear	51, 53
Jonathan P. Dolliver	54–56
William R. Green	63–70
C. William Ramseyer	70–71
Otha D. Wearin	75

Member	Congress(es)
Lloyd Thurston	75
Thomas E. Martin	80–83
Fred Grandy	102–103
Jim Nussle	104–109
Kansas:	
Dudley C. Haskell	47
Chester I. Long	56–57
Charles Curtis	58–59
William A. Calderhead	60–61
Victor Murdock	63
Guy T. Helvering	64–65
Frank Carlson	76–79
Martha E. Keys	94–95
Kentucky:	
Alexander D. Orr	3
Christopher Greenup	4
Thomas T. Davis	5
John Boyle	8
Richard M. Johnson	11–12
Thomas Montgomery	13
David Trimble	15–16
Nathan Gaither	22
John Pope	25
Thomas F. Marshall	27
Garrett Davis	28
Charles S. Morehead	30–31
John C. Breckinridge	33
Robert Mallory	38
James B. Beck	42–43
Henry Watterson	44
John G. Carlisle	46–47, 51
Joseph C.S. Blackburn	48
William C.P. Breckinridge	49–50
Alexander B. Montgomery	52–53
Walter Evans	54–55
Ollie M. James	62
Augustus O. Stanley	63
Frederick M. Vinson	72–75
Noble J. Gregory	78–85
John C. Watts	86–92
Jim Bunning	102–105
Ron Lewis	106–110
Geoff Davis	110–
Louisiana:	
Thomas B. Robertson	14
William L. Brent	19–20
Walter H. Overton	21
Lionel A. Sheldon	43
Randall L. Gibson	45–46
Charles J. Boatner	54
Samuel M. Robertson	55–59
Robert F. Broussard	61
Whitmell P. Martin	65–70
Paul H. Maloney	76, 78–79
Thomas Hale Boggs, Sr	81–91
Joe D. Waggoner, Jr	92–95
W. Henson Moore III	96–99
William J. Jefferson	⁷ 103, 105–109
Jim McCrery	103–110
Jimmy Hayes	¹ 104
Charles W. Boustany, Jr	111–
Maine:	
Peleg Sprague	19–20
Francis O.J. Smith	24
George Evans	26
Israel Washburn, Jr	36
James G. Blaine	44

Member	Congress(es)
William P. Frye	46
Thomas B. Reed	48–50, 52–53
Nelson Dingley, Jr.	51, 54–55
Daniel J. McGillicuddy	64
Maryland:	
William Smith	1
Gabriel Christie	3
William Vans Murray	4
William Hindman	4–5
William Craik	5
Joseph H. Nicholson	6–9
Nicholas R. Moore	8
Roger Nelson	9
John Montgomery	10–11
Alexander McKim	13
Stevenson Archer	13
Samuel Smith	14–17
Isaac McKim	18, 23–25
Henry W. Davis	34–36
Phillip F. Thomas	44
David J. Lewis	72–75
Rogers C.B. Morton	91–92
Benjamin L. Cardin	101–109
Massachusetts:	
Elbridge Gerry	1
Fisher Ames	3
Theodore Sedgwick	4
Theophilus Bradbury	4
Harrison Gray Otis	5–6
Samuel Sewall	5
Isaac Parker	5
Bailey Bartlett	6
Nathan Read	7
Seth Hastings	8
Josiah Quincy	9
Ezekiel Bacon	11–12
Ebenezer Seaver	11
Henry Shaw	16
Henry W. Dwight	19–21
Benjamin Gorham	23
Abbott Lawrence	24, 26
Richard Fletcher	25
George N. Briggs	25
Leverett Saltonstall	26
Robert C. Winthrop	29
Charles Hudson	30
George Ashmun	31
William Appleton	32–33, 37
Alexander De Witt	34
Nathaniel P. Banks	35, 45
Samuel Hooper	37–41
Henry L. Dawes	42–43
Chester W. Chapin	44
William A. Russell	47–48
Moses T. Stevens	52–53
Samuel W. McCall	56–62
Andrew J. Peters	62–63
Augustus P. Gardner	63–65
John J. Mitchell	63
Allen T. Treadway	65–78
Peter F. Tague	67–68
John W. McCormack	72–76
Arthur D. Healey	77
Charles L. Gifford	79–80
Angier L. Goodwin	80, 82–83
James A. Burke	87–95
James M. Shannon	96–98

Member	Congress(es)
Brian J. Donnelly	99–102
Richard E. Neal	103–
Michigan:	
William A. Howard	34–36
Austin Blair	41
Henry Waldron	43
Omar D. Conger	46
Jay A. Hubbell	47
William C. Maybury	49
Julius C. Burrows	50–53
Justin R. Whiting	52–53
William A. Smith	59
Joseph W. Fordney	60–67
James C. McLaughlin	68–72
Roy O. Woodruff	73–82
John D. Dingell	74–84
Victor A. Knox	83, 86–88
Thaddeus M. Machrowicz	84–87
Martha W. Griffiths	87–93
Charles E. Chamberlain	91–93
Richard F. Vander Veen	93–94
Guy Vander Jagt	94–102
William M. Brodhead	95–97
Sander M. Levin	100–
Dave Camp	103–
Minnesota:	
Mark H. Dunnell	46–47
James A. Tawney	54–58
James T. McCleary	59
Winfield S. Hammond	62–63
Sydney Anderson	63
Harold Knutson	73–80
Eugene J. McCarthy	84–85
Joseph E. Karth	92–94
Bill Frenzel	94–101
Jim Ramstad	104–110
Mississippi:	
Jacob Thompson	31
John Sharp Williams	58–59
James W. Collier	63–72
Aaron Lane Ford	77
Missouri:	
James S. Green	31
John S. Phelps	32–37
Henry T. Blow	38
John Hogan	39
Gustavus A. Finkelburg	42
John C. Tarsney	53–54
Seth W. Cobb	54
Champ Clark	58–61
Dorsey W. Shackelford	62–63
Clement C. Dickinson	63–66, 68–70, 72–73
Charles L. Faust	69–70
Richard M. Duncan	74–77
Thomas B. Curtis	83–90
Frank M. Karsten	84–90
Richard A. Gephardt	95–101
Mel Hancock	103–104
Kenny Hulshof	105–110
Montana:	
Lee W. Metcalf	86
James F. Battin	89–91
Nebraska:	
William J. Bryan	52–53
Charles H. Sloan	63–65
Ashton C. Shallenberger	73
Carl T. Curtis	79–83

Member	Congress(es)
Hal Daub	99–100
Peter Hoagland	103
Jon Christensen	104–105
Nevada:	
Francis G. Newlands	56–57
John Ensign	104–105
Jon Porter	109–110
Shelley Berkley	110–111
New Hampshire:	
Samuel Livermore	1
Nicholas Gilman	3–4
Abiel Foster	5
Nathaniel A. Haven	11
Henry Hubbard	23
Charles G. Atherton	25–27
Moses Norris, Jr	28–29
Harry Hibbard	31–33
Judd A. Gregg	99–100
New Jersey:	
Lambert Cadwalader	1
Elias Boudinot	3
Isaac Smith	4
Thomas Sinnickson	5
James H. Imlay	6
William Cox, Jr	13
John L. N. Stratton	37
William Hughes	62
Isaac Bacharach	66–74
Donald H. McLean	76–78
Robert W. Kean	78–85
Henry Helstoski	94
Frank J. Guarini	96–102
Dick Zimmer	104
Bill Pascrell, Jr	110–
New Mexico:	
Clinton P. Anderson	79
New York:	
John Laurance	1
John Watts	3
Ezekiel Gilbert	4
James Cochran	5
Hezekiah L. Hosmer	5
Jonas Platt	6
Killian K. Van Rensselaer	7
Joshua Sands	8
Erastus Root	11
John W. Taylor	13
Jonathan Fisk	13
Thomas J. Oakley	13
James W. Wilkin	14
James Tallmadge, Jr	15
Albert H. Tracy	16
Nathaniel Pitcher	17
Churchill C. Cambreleng	17–18, 23–25
Dudley Marvin	19
Gulian C. Verplanck	20–22
Aaron Vanderpoel	26
Millard Filmore	27
Daniel D. Barnard	28
David L. Seymour	28
George O. Rathbun	28
Orville Hungerford	29
Henry Nicoll	30
James Brooks	31–32, 39–40, 42
William Duer	31
Solomon G. Haven	33
Russell Sage	34

Member	Congress(es)
John Kelly	35
William B. MacLay	35
Elbridge G. Spaulding	36–37
Erastus Corning	37
Reuben E. Fenton	38
De Witt C. Littlejohn	38
Henry G. Stebbins	38
John V. L. Pruyn	38
Roscoe Conkling	39
Charles H. Winfield	39
John A. Griswold	40
Dennis McCarthy	41
Ellis H. Roberts	42–43
Fernando Wood	43–46
Abram S. Hewitt	48–49
Frank Hiscock	48–49
Sereno E. Payne	51–63
Roswell P. Flower	51
William B. Cochran	52–53, 58–60
George B. McClellan	55–58
John W. Dwight	61
Francis B. Harrison	61–63
Michael F. Conry	64
George W. Fairchild	64–65
John F. Carew	65–71
Luther W. Mott	66–67
Alanson B. Houghton	67
Ogden L. Mills	67–69
Frank Crowther	68–77
Thaddeus C. Sweet	70
Frederick M. Davenport	70–71
Thomas H. Cullen	71–78
Christopher D. Sullivan	72–76
Daniel A. Reed	73–86
Walter A. Lynch	78–81
Eugene J. Keogh	82–89
Albert H. Bosch	86
Steven B. Derounian	87–88
Barber B. Conable, Jr.	90–98
Jacob H. Gilbert	90–91
Hugh L. Carey	91–93
Otis G. Pike	93–95
Charles B. Rangel	94–
Thomas J. Downey	96–102
Raymond J. McGrath	99–102
Michael R. McNulty	103, ² 104–110
Amo Houghton	103–108
Thomas M. Reynolds	109–110
Joseph Crowley	110–111
Brian Higgins	111
North Carolina:	
William B. Grove	3
Thomas Blount	4–5
Robert Williams	5
David Stone	6
James Holland	7
Willis Alston	10–11, 13
William Gaston	13–14
Abraham Rencher	25, 27
Henry W. Conner	26
James I. McKay	28–30
Edward Stanly	32
William M. Robbins	45
Edward W. Pou	60–61
Claude Kitchin	62–67
Robert L. Doughton	69–82
James G. Martin	94–98

Member	Congress(es)
Bob Etheridge	111
North Dakota:	
Martin N. Johnson	54–55
George M. Young	66–68
Byron L. Dorgan	98–102
Earl Pomeroy	107–111
Ohio:	
William Creighton, Jr.	13
Thomas R. Ross	16
Thomas Corwin	23–24
Thomas L. Hamer	25
Taylor Webster	25
Samson Mason	26–27
John B. Weller	28
Samuel F. Vinton	29–31
Lewis D. Campbell	34–35
John Sherman	36
Valentine B. Horton	37
George H. Pendleton	38
James A. Garfield	39, 44–46
Robert C. Schenck	40–41
Charles Foster	43
Milton Saylor	45
William McKinley, Jr.	46–47, 49–51
Frank H. Hurd	48
Charles H. Grosvenor	53–59
Nicholas Longworth	60–62, 64–67
Timothy T. Ansberry	62–63
Alfred G. Allen	64
George White	65
Charles C. Kearns	68–71
Charles F. West	73
Thomas A. Jenkins	73–85
Arthur P. Lamneck	74–75
Stephen M. Young	81
Jackson E. Betts	86–92
Donald D. Clancy	93–94
Charles A. Vanik	89–96
Bill Gradison	95–103
Don J. Pease	97–102
Rob Portman	⁵ 104–109
Stephanie Tubbs Jones	⁹ 108–110
Oklahoma:	
Thomas A. Chandler	67
James V. McClintic	73
Wesley E. Disney	74–78
James R. Jones	94–99
Bill K. Brewster	103
Wes Watkins	105–107
Oregon:	
William R. Ellis	61
Willis C. Hawley	65–72
Albert C. Ullman	87–96
Mike Kopetski	103
Pennsylvania:	
Thomas Fitzsimons	1, 3
Albert Gallatin	4–6
Henry Woods	6
John Smilie	6–7, 10–12
Joseph Clay	8–9
John Rea	11
Jonathan Roberts	12–13
Samuel D. Ingham	13–14, 18
John Sergeant	15, 25
John Tod	17
John Gilmore	21–22
Horace Binney	23

Member	Congress(es)
Richard Biddle	26
Joseph R. Ingersoll	24, 27–29
James Pollock	30
Moses Hampton	31
J. Glancy Jones	32, 35
John Robbins	33
James H. Campbell	34
Henry M. Phillips	35
Thaddeus Stevens	36–38
James K. Moorhead	39–40
William D. Kelley	41–50
Russell Errett	47
Samuel J. Randall	47
William L. Scott	50
Thomas M. Bayne	51
John Dalzell	52–62
A. Mitchell Palmer	62–63
J. Hampton Moore	63–66
John J. Casey	64, 68
Henry W. Watson	66–73
Harris J. Bixler	69
Harry A. Estep	70–72
Thomas C. Cochran	73
Joshua T. Brooks	74
Patrick J. Boland	76–77
Benjamin Jarrett	76–77
James P. McGranery	77–78
Herman P. Eberharter	78–85
Richard M. Simpson	78–86
William J. Green, Jr.	86–88
John A. Lafore, Jr.	86
Walter M. Mumma	86–87
George M. Rhodes	88–90
Herman T. Schneebeli	87–94
William J. Green, III	90–94
Raymond F. Lederer	95–96
Dick Schulze	95–102
Donald A. Bailey	97
William J. Coyne	99–107
Rick Santorum	103
Philip S. English	104–110
Melissa A. Hart	109
Rhode Island:	
Benjamin Bourne	3–4
Francis Malbone	4
Elisha R. Potter	4
Christopher G. Champlin	5
John Brown	6
Joseph Stanton, Jr.	8
Daniel L.D. Granger	59–60
George F. O'Shaunessy	65
Richard S. Aldrich	69–72
Aime J. Forand	78–86
South Carolina:	
William L. Smith	3–5
Robert Goodloe Harper	5–6
Abraham Nott	6
David R. Williams	9
Langdon Cheves	12
Theodore Gourdin	13
William Lowndes	13–15
John Taylor	14
Thomas R. Mitchell	17
George McDuffie	18–22
R. Barnwell Rhett	25–26
Francis W. Pickens	27
John L. McLaurin	54–55

Member	Congress(es)
Ken Holland	95–97
Carroll A. Campbell, Jr	98–99
Tennessee:	
Andrew Jackson	4
William C.C. Claiborne	5
William Dickson	7, 9
George W. Campbell	10
Bennett H. Henderson	14
Francis Jones	16–17
James K. Polk	22–23
Cave Johnson	24
George W. Jones	31–34
Horace Maynard	37, 40–42
Benton McMillan	49–55
James D. Richardson	55–57
Cordell Hull	62–66, 68–71
Edward E. Eslick	72
Jere Cooper	72–85
Howard H. Baker	83–88
James B. Frazier, Jr	85–87
Ross Bass	88
Richard H. Fulton	89–94
John J. Duncan	92–100
Harold E. Ford	94–104
Don Sundquist	101–103
John S. Tanner	105–111
Texas:	
John Hancock	44
Roger Q. Mills	46, 48–51
Joseph W. Bailey	55
Samuel B. Cooper	56–58
Choice B. Randell	60–62
John N. Garner	63–71
Morgan G. Sanders	72–75
Milton H. West	76–80
Jesse M. Combs	81–82
Frank N. Ikard	84–87
Bruce Alger	86–88
Clark W. Thompson	87–89
George H.W. Bush	90–91
Omar T. Burleson	90–95
Bill Archer	93–106
J.J. Pickle	94–103
Kent R. Hance	97–98
Michael A. Andrews	99–103
Sam Johnson	104–
Greg Laughlin	³ 104
Lloyd Doggett	104–
Kevin Brady	107–
Max Sandlin	108
Utah:	
Walter K. Granger	82
Vermont:	
Daniel Buck	4
Israel Smith	3, 4, 7
Lewis R. Morris	5
James Fisk	10, 12
Horace Everett	25
Justin S. Morrill	35–39
Virginia:	
James Madison	1, 3, 4
William B. Giles	5
Richard Brent	5
Walter Jones	5
Leven Powell	6
John Nicholas	6
John Randolph	7–9, 20

Member	Congress(es)
James M. Garnett	9
John W. Eppes	10–11, 13
William A. Burwell	12, 14–16
James Pleasants	12–13
John Tyler	16
Andrew Stevenson	17–19
Alexander Smyth	20–21
Philip P. Barbour	21
Mark Alexander	21–22
George Loyall	23–24
John W. Jones	25–27
John M. Botts	27
Thomas W. Gilmer	27
Thomas H. Bayly	28, 31
George C. Dromgoole	28–29
James McDowell	30
John Letcher	34–35
John S. Millson	36
John R. Tucker	44–47
Claude A. Swanson	55–58
A. Willis Robertson	75–79
Burr P. Harrison	82, 84–87
W. Pat Jennings	88–89
Joel T. Broyhill	88–93
Joseph L. Fisher	94–96
L.F. Payne	103–104
Eric Cantor	108–
Washington:	
Francis W. Cushman	61
Lindley H. Hadley	66–72
Samuel B. Hill	71–74
Knute Hill	77
Otis H. Holmes	80–85
Rodney D. Chandler	100–102
Jim McDermott	102–
Jennifer Dunn	104–108
West Virginia:	
William L. Wilson	50, 52–53
Joseph H. Gaines	60–61
George M. Bowers	66–67
Hubert S. Ellis	80
Wisconsin:	
Charles Billingshurst	34
Robert M. La Follette	51
Joseph W. Babcock	57–59
James A. Frear	66–68, 71–73
Thaddeus F.B. Wasielewski	78–79
John W. Byrnes	80–92
William A. Steiger	94–95
Jim Moody	100–102
Gerald D. Kleczka	103–108
Paul Ryan	107–
Ron Kind	110–

¹ Appointed January 25, 1996.² Appointed January 25, 1996.³ Appointed July 10, 1995.⁴ Reelected to the 109th Congress; died January 1, 2005.⁵ Resigned April 29, 2005.⁶ Appointed May 5, 2005.⁷ Pursuant to H. Res. 872, removed June 16, 2006.⁸ Resigned September 29, 2006.⁹ Died, August 20, 2008.

2. COMMITTEE MEMBERSHIP, 111TH CONGRESS

COMMITTEE ON WAYS AND MEANS

ONE HUNDRED ELEVENTH CONGRESS

SANDER M. LEVIN, Michigan, *Acting Chairman*

CHARLES B. RANGEL, New York	DAVE CAMP, Michigan
FORTNEY PETE STARK, California	WALLY HERGER, California
JIM McDERMOTT, Washington	SAM JOHNSON, Texas
JOHN LEWIS, Georgia	KEVIN BRADY, Texas
RICHARD E. NEAL, Massachusetts	PAUL RYAN, Wisconsin
JOHN S. TANNER, Tennessee	ERIC CANTOR, Virginia
XAVIER BECERRA, California	JOHN LINDER, Georgia
LLOYD DOGGETT, Texas	DEVIN NUNES, California
EARL POMEROY, North Dakota	PAT TIBERI, Ohio
MIKE THOMPSON, California	GINNY BROWN-WAITE, Florida
JOHN B. LARSON, Connecticut	GEOFF DAVIS, Kentucky
EARL BLUMENAUER, Oregon	DAVID G. REICHERT, Washington
RON KIND, Wisconsin	CHARLES W. BOUSTANY, JR., Louisiana
BILL PASCRELL, JR., New Jersey	DEAN HELLER, Nevada
SHELLEY BERKLEY, Nevada	PETER J. ROSKAM, Illinois
JOSEPH CROWLEY, New York	
CHRIS VAN HOLLEN, Maryland	
KENDRICK MEEK, Florida	
ALLYSON Y. SCHWARTZ, Pennsylvania	
ARTUR DAVIS, Alabama	
DANNY K. DAVIS, Illinois	
BOB ETHERIDGE, North Carolina	
LINDA T. SANCHEZ, California	
BRIAN HIGGINS, New York	
JOHN A. YARMUTH, Kentucky	

